

SENATE—Friday, June 22, 1990

(Legislative day of Monday, June 11, 1990)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. BYRD].

The PRESIDENT pro tempore. As we reverence the God of Abraham, Isaac, and Jacob, the Senate will be led in prayer by the Reverend Richard C. Halverson, the Senate Chaplain.

Dr. Halverson.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

Eternal God, perfect in love and grace, as we think about our failure as a society and the evil which pervades, we find hope in the prayer of King David, a great political leader.

*O Lord, thou hast searched me, and known me. Thou knowest my down-sitting and mine uprising, thou understandest my thought afar off. Thou compasses my path and my lying down, and art acquainted with all my ways. For there is not a word in my tongue, but, lo, O Lord, thou knowest it altogether. * * * How precious * * * are thy thoughts unto me, O God! how great is the sum of them! If I should count them, they are more in number than the sand: when I awake, I am still with thee. * * * Search me, O God, and know my heart: try me, and know my thoughts: And see if there be any wicked way in me, and lead me in the way everlasting.—Psalm 139:1-4, 17-18, 23-24.*

Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. Under the standing order, the majority leader is recognized.

THE JOURNAL

Mr. MITCHELL. Mr. President, I ask unanimous consent the Journal of the proceedings be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

SCHEDULE

Mr. MITCHELL. Mr. President, this morning, following the time for the two leaders, there will be a period for morning business not to extend beyond 9:30 a.m., with Senators permitted to speak therein for up to 5

minutes each. At 9:30, there will be a live quorum and I will ask for a rollcall vote on a motion to instruct the Sergeant at Arms to request the attendance of Senators.

RESERVATION OF LEADER TIME

Mr. MITCHELL. Mr. President, I reserve the remainder of my leader time and I reserve all of the leader time of the distinguished Republican leader.

The PRESIDENT pro tempore. Without objection, the time of the two leaders will be reserved until later in the day.

MORNING BUSINESS

The PRESIDENT pro tempore. Under the order there will now be a period for morning business until the hour of 9:30 a.m. during which Senators will be permitted to speak for not to exceed 5 minutes.

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The absence of a quorum has been suggested and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BURNS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Montana is recognized for 5 minutes.

Mr. BURNS. Mr. President, are we still in morning business?

The PRESIDENT pro tempore. The Senate is still in morning business.

TRIBUTE TO SENATOR QUENTIN BURDICK

Mr. BURNS. Mr. President, something just dawned on me this week as we had a meeting with the Corps of Engineers with regard to the problems that we are facing on the Upper Missouri River. We have been in severe drought in our part of the country for the last 7 years, as my colleagues know.

The flow of the Missouri River is of some concern because of the different uses of that river. As I sat in that meeting with Senator QUENTIN BURDICK of North Dakota, I realized the tremendous leadership this man displays in this body and how he represents the needs of the people of the northern high plains.

So I rise today to pay a tribute to Senator BURDICK of North Dakota.

This is his 30th year of service in this body. His contribution to the northern high plains will be felt a long time because it is a tradition in his family. His father served in the House of Representatives and he followed that and was elected to the House of Representatives in 1958. There are not very many people walking around Washington, DC, now who can even say they were born when the Senator came to this town.

It has been a privilege for me to work with this man because he serves on so many committees that impact our part of the country, especially eastern Montana, the Dakotas and all the way down to the lower reaches of the Lower Missouri River drainage.

I want to this morning recognize Senator QUENTIN BURDICK. He has served and his family has served since North Dakota became a State. He is a walking history book of the history of the Dakotas.

It did not make any difference if you had issues of water, if you had issues of our Indian tribes or our reservation problems, of our farms and our ranches, public works and especially water development in the West that is so important, as it is the lifeblood of the West. You would have to turn to QUENTIN BURDICK.

So this morning I want to congratulate him for his long service in the U.S. Senate and wish him many more because his knowledge of this body, the knowledge of the system, the knowledge of the area is invaluable to especially those of us starting in this body and starting on a career serving in the U.S. Senate. I congratulate him, and applaud him.

Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The point of no quorum having been raised, the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WIRTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Colorado [Mr. WIRTH] is recognized for not to exceed 5 minutes.

Mr. WIRTH. Mr. President, it appears that President Bush and his administration have finally gotten the message: It is time to step up actions against those who broke the law and contributed to the cost of the S&L

crisis. As I understand it, later this morning the President, joined by all 93 U.S. attorneys from across the country, will hold a press conference to announce a new S&L enforcement initiative.

I am encouraged by this apparent change of heart in the administration and have just three questions for the President:

What resources are you going to put behind this new effort?

How quickly can you deploy the resources to make up for lost time?

What took you so long to recognize and respond to this pressing problem?

I first raised this issue almost 2 months ago when the Senate was debating the supplemental appropriations legislation. In fact, at that time, joined by Senators RIEGLE and DIXON, I offered an amendment to the supplemental to increase funding for both the FBI and the U.S. attorney to investigate and prosecute criminal activity in the S&L industry. Since that time this issue has drawn substantial attention in Congress and throughout the country and several bills have been introduced in both the House and the Senate.

For instance, I, along with Senators GRAHAM and DIXON, have introduced legislation to create a Financial Services Crime Division within the Department of Justice and a resolution calling upon the President to seek the full \$75 million authorized by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 [FIRREA] to pursue the investigation and prosecution of financial institution crimes. Many Senators have joined in supporting these proposals.

A variety of other measures have been proposed in recent weeks and Members on both sides of the aisle in each Chamber have joined in calling for action. Senator BIDEN has announced his intent to hold Judiciary Committee hearings to examine those initiatives under the committee's jurisdiction and prepare a proposal for the Senate's consideration. Senator ERNEST HOLLINGS, chairman of the Department of Justice Appropriations Subcommittee indicated plans to seek at least \$109.5 million for the Department of Justice's efforts to pursue S&L-related crimes.

Mr. President, there is no question that fraud and insider abuse by S&L owners and management contributed significantly to the problem we now face. The recent flurry of interest in this topic is the result of a well documented need for additional resources to investigate and prosecute criminal activity within the thrift industry:

The Federal Bureau of Investigation has received more than 20,000 referrals involving fraud and other criminal activity in the financial services industry that the Bureau has been unable to examine. More than 1,000 of these

cases are major involving losses of more than \$100,000.

As of February 1990, the Bureau also had more than 7,000 pending bank and S&L fraud and embezzlement cases, some 3,000 of which were major. And more than 900 pending cases and about 235 of the unaddressed referrals involve losses greater than \$1 million.

The Department of Justice caseload is growing rapidly. Mr. Timothy Ryan, the new Director of the Office of Thrift Supervision, recently informed me that bank and thrift regulators were sending the Department of Justice 8,000 referrals per month regarding civil and criminal violations and that there were now 80,000 referrals pending.

Regulators will examine and close more insolvent institutions and the Department of Justice will receive thousands more referrals of possible criminal activity related to savings and loan failures, increasing the workload for Federal investigators and prosecutors.

The \$50 million requested by the administration for fiscal 1990 proved inadequate. The additional personnel provided by these funds did not meet the staffing needs identified in a 1989 FBI survey. In this survey, FBI and U.S. attorneys' offices requested 224 more FBI agents, 113 more assistant U.S. attorney positions, and 142 more support staff positions than the agencies received.

The administration's budget proposal for fiscal year 1991 is also inadequate. The budget would only permit the FBI to add 42 agents and 26 support staff, well short of the Bureau's staffing needs.

In recent testimony before the House Government Operations Committee's Commerce, Consumer, and Monetary Affairs Subcommittee, administration officials indicated there is a need for additional resources to pursue financial institution crimes.

On March 14, 1990, Mr. Oliver B. Revell, Associate Deputy Director of the FBI, discussed the difference between the March 1989 request and the eventual allocation of resources to pursue financial institution fraud and embezzlement. Mr. Revell said that these additional personnel were still needed and that "we wouldn't have asked for them if we didn't need them."

On March 15, 1990, Assistant Attorney General Edward S.G. Dennis, Jr., testified before the same House subcommittee. Mr. Dennis' statement noted that seven FBI field offices requested additional special agents but were not allocated any new agents. Ten other field divisions were described by Mr. Dennis as receiving "substantially fewer positions than requested."

The story was similar when Mr. Dennis turned to the U.S. attorneys offices: 11 districts requested additional assistant U.S. attorneys but did not receive any while eight districts received substantially fewer positions than they requested.

Mr. Dennis said that:

A significant reason why these shortages exist is that there is insufficient funding under FIRREA to fill all the requested positions.

Yet FIRREA authorized \$25 million more than the \$50 million the administration requested for this purpose.

Mr. President, the case for action is clear. I am pleased that the President now agrees and hope this new initiative represents a renewed commitment on the part of the administration to give the S&L crisis a higher priority. The American people deserve nothing less and rightfully expect the Federal Government to vigorously pursue individuals whose illegal activities contributed to the S&L debacle.

I look forward to learning the details of the President's proposal later this morning.

Mr. President, today President Bush will be meeting with the U.S. attorneys brought in from around the country; about 92 U.S. attorneys are being brought in from around the country to discuss the S&L crisis. This meeting is in response to the absolute crescendo of criticism that has descended upon the Justice Department and the White House about the S&L crisis and the enforcement of the S&L initiative.

What has happened historically, Mr. President, is we had authorized the President, the administration to spend upward of \$75 million for the purpose of hiring all the necessary law enforcement authorities, all the necessary authorities to go after the fraud, waste, and abuse that has occurred within the S&L industry.

As the Attorney General said, there is an epidemic of fraud that has surrounded the S&L industry and the failures that have become so commonplace in the newspapers every day.

We had urged the President to proceed to hire all the necessary people, and unfortunately the administration had not met the request made by the Congress that they go ahead and hire the appropriate people to enforce the S&L enforcement initiative.

In fact, the administration told the Congress in testimony before the Judiciary Committee in the House that they could not spend all the money despite the fact there was a very long and clear record of fraud and abuse in the industry.

About 2 months ago, I raised this issue here on the floor; in the supplemental appropriations I raised the issue in the so-called Panama amendment in which I suggested we should

not be spending \$30 million to promote tourism in Panama but, rather, to transfer that funding to enforce the S&L enforcement initiative. Since there has been, again, this crescendo of attention to this issue, finally the spotlight has turned on this issue; dozens of bills have been introduced in the Senate and House, and there is tremendous pressure on the administration.

This morning the President apparently is going to respond to that. President Bush will be now for the first time requesting of us the full amount of funding. I think that is a very welcome development. I am very pleased to see that. I think we can all be encouraged by that.

I hope that coming along with that as well, President Bush, will let us know what other resources in addition to the \$75 million for hiring FBI agents and accountants and assistant U.S. attorneys, he thinks are necessary; second, how quickly they can deploy these resources—all very important. Three is no question about the fact that this is a major issue, and I am very pleased to see the administration responding.

We are going to go on in the coming weeks to further discussion of this issue, I am sure. As we all know, this issue is all wound up in the budget summit. The administration is deeply concerned about the losses in the S&L industry, which have contributed somewhat to this overall budget deficit. The deficit was there long before the S&L crisis. It has been around for a long time. It has been exacerbated by that. Now the President I think will be responding to both the S&L crisis and to the budget crisis.

Mr. President, we are encouraged by this. I congratulate the White House in responding.

SAVINGS AND LOAN BAILOUT

Mr. KERREY. Mr. President, I rise as well to discuss again the savings and loan bailout issue. I appreciate and applaud the Senator from Colorado for his interest against all odds, as a matter of fact, in trying to get the administration to focus upon the need to bring those who have stolen money or broken the law to justice.

It seems to me that all the Senator from Colorado is asking is some equity. We understand that white-collar criminals are difficult to bring to justice. It is not an easy thing to accomplish. But it sends a rather, I think, uneven message to the public to say it is difficult to bring these people to justice, and therefore if you steal \$400 billion you are in much better shape than if you walk into a store and take \$10 or \$15 of merchandise off the shelf.

We prosecute shoplifters with much more diligence than we are currently

prosecuting individuals who are going to cause not only our generation but the next generation to pay out roughly \$500 billion over the next 40 years.

So it seems to me, Mr. President, that this is a welcome action on the part of the administration. I hope they do more than just fly in the U.S. attorneys for a photo opportunity. I hope that in fact the Department of Justice focuses its efforts. I know that my colleagues have many examples of farmers who have been successfully prosecuted by the Federal Government for failure to pay their loans. I know that plenty of my colleagues can point to individuals at home who have been successfully prosecuted for defaulting on loans for other transactions.

It seems to me that the Department of Justice must do a lot more than simply request \$25 million. They must organize themselves and get their attention upon this particular problem; otherwise, nothing is going to be done, certainly nothing that I will be able to tell my constituents, to bring these people to justice.

I must go a bit further this morning, Mr. President. I am concerned about the way this whole thing is organized still. I think the administration has made an effort to solve the problem. They should be applauded for at least making an attempt to do something. But I believe they are making a serious effort in the way they are organizing the effort. The principal error they are making is they are trying to control the flow of all the information so that they make decisions about what they are going to release.

The Department of Treasury now has almost all the responsibility for the judgments that are being made. The Treasury Secretary of the United States, Mr. Brady, a good and decent and hard working man, is the Chairman of the Office of Thrift Supervision Oversight Board and the RTC Oversight Board. I must tell you, Mr. President, that they will have about \$400 billion, they are estimated to have about \$400 billion assets relatively soon, 400 institutions, and I do not know how a man as busy as that, even if all he is concerned about is just the overall policy, can put the kind of effort that is needed into that large of an organization.

I simply urge my colleagues to look seriously at the way this is organized, look seriously at several other policy questions, because we are going to get some surprises. We have already had a lot of surprises about the cost. They told us that \$50 billion would do the job. They will have expended that \$50 billion sometime early in fiscal year 1991, we are now told.

The administration is saying in the budget summit negotiations that the taxpayers of the United States should understand that the new estimate of

the deficit of \$160 billion does not include the S&L bailout expenditures. The administration is estimating it will be another \$23 to \$40 billion whereas CBO is estimating it will be \$68 to \$100 billion that we will need.

I ask unanimous consent, Mr. President, to include a letter that was sent by CBO to the chairman of the House Banking Committee, the Honorable HENRY GONZALEZ, that my colleagues I think should look at because it indicates that we have a lot larger problem here than the administration again is telling us. They are making a mistake that was made earlier of underestimating the problem. I ask unanimous consent that the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL BUDGET OFFICE,

Washington, DC, June 13, 1990.

HON. HENRY B. GONZALEZ,
Chairman, Committee on Banking, Finance,
and Urban Affairs, House of Representatives,
Washington, DC.

DEAR MR. CHAIRMAN: In response to your request, this letter provides our latest estimates on the cost of resolving failed savings associations and the number of institutions which will have to be resolved.

The latest CBO estimates confirm the need to provide additional resources to the Resolution Trust Corporation. Our estimates show that RTC will exhaust its \$50 billion provided by FIRREA early in fiscal year 1991. CBO estimates that, through 1995, RTC will need almost \$100 billion more to cover insurance losses. In addition, RTC will require substantial amounts of working capital, which RTC will recover in later years when it sells the assets of the failed institutions.

For purposes of these estimates, RTC's caseload is assumed to comprise the 925 thrift institutions that have a capital-to-assets ratio of less than 3 percent on a book value basis, but are estimated to be insolvent on a market value basis. If all of these institutions could be resolved today, RTC's losses would total \$90 billion to \$130 billion. CBO's projections assume losses of about \$100 billion. Because RTC cannot resolve all these cases right away, however, many insolvent institutions will continue to operate for several more years, incurring further losses in the process. CBO estimates that, in present discounted value terms, the eventual cost of RTC's activities will reach \$150 billion. This amount does not include the losses on cases covered by the FSLIC Resolution Fund and by the Savings Association Insurance Fund, which are estimated to have a present value of about \$60 billion and \$35 billion, respectively.

Despite the seeming precision of CBO's estimates, the path of spending by the RTC is highly uncertain. The estimates depend on a host of interrelated factors that are extremely difficult to predict, including the number of institutions in the caseload, the number of cases that are resolved by liquidation or by merger, the order in which cases are resolved, the pace of resolutions, and the timing and value of asset sales. Notably, the assumed RTC caseload does not include 792 thrift institutions that are tangibly solvent on a book value basis, have tangible capital-to-asset ratios greater than 3 per-

cent, but are estimated to be insolvent when their assets are valued at market prices. The CBO estimates assume that these institutions are the responsibility of the Savings Association Insurance Fund. If many of these marginal institutions fail, as CBO expects, SAIF—like RTC—will need more resources than the law now provides.

Additional details on our latest estimates of the costs of resolving the savings and loan problem can be provided by CBO staff. I hope that this information will be helpful to the Committee.

Sincerely,

ROBERT D. REISCHAUER,
Director.

Mr. KERREY. I would also, Mr. President, call my colleagues' attention to another piece of this policy, and that is that we are continuing to operate institutions that are technically insolvent. You say what is the significance of that? The significance is we are guaranteeing the deposit. We have an insurance scheme in place that says if anybody puts a deposit in an institution, the taxpayers of the United States will guarantee it.

One of the things we have in this letter to Chairman GONZALEZ is CBO saying there are 792 institutions out there that are operating, taking deposits, who if they price their assets at present market would be insolvent. The taxpayers of the United States are guaranteeing those deposits up to \$100,000.

On a related matter, I call my colleagues' attention to the fact that some of the institutions that we are subsidizing—the administration has been careful to say they are opposed to any sort of industrial planning at all. We have in place a system saying in order to make some of these sales, late in 1988, we have enormous taxpayer subsidies in place.

The PRESIDENT pro tempore. The time of the Senator has expired.

Mr. KERREY. Mr. President, I ask unanimous consent to be permitted 2 additional minutes.

The PRESIDENT pro tempore. Without objection, the Senator is recognized for 2 additional minutes.

Mr. KERREY. I ask unanimous consent to have printed in the RECORD a letter, essentially an advertising letter, that American Savings Bank in San Juan Capistrano, CA, is sending to potential depositors, saying we are going to give you an incredible 2-percent bonus interest at American Savings Bank. American Savings Bank is an institution that is subsidized by the taxpayers of the United States.

In addition to that, they go on to say: Do not worry about this 2-percent bonus. Guess what. The taxpayers of the United States are going to fully back it by insuring it by the FDIC to the tune of \$100,000.

There are serious policy questions about the way this thing is organized. But I think our colleagues on both sides of the aisle ought to be investing and ought to be, on behalf of their

taxpayers, investigating very diligently.

I thank the Chair for the additional 2 minutes. I yield the floor.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AMERICAN SAVINGS BANK,
San Juan Capistrano, CA, May 16, 1990.
DAVID M. WILLETT,
Alipaz St., Apt. 5,
San Juan Capistrano, CA.

2.00% BONUS INTEREST!

DEAR DAVID M. WILLETT: Until July 16, 1990, you're entitled to an incredible 2.00% bonus interest at American Savings Bank!

Just open a new six-month Money Matrix CD* with \$5,000 to \$89,999 from another institution to earn your bonus.

Why are we paying 2.00% above our already competitive rates? It's simple: we want your business. And the best way to get your business is by offering one of the best investment alternatives around.

And, of course, your money is safe. It's fully insured by the Federal Deposit Insurance Corporation (FDIC) to \$100,000.

So if you'd like to lock in a high rate of return, including an extra 2.00% interest, just bring the attached certificate to our office before July 16, 1990. It's that easy!

Questions? Please call us at 493-5011. We'll be happy to help!

Sincerely,

PAULINE JEFFERS,
BRANCH SALES MANAGER,
Assistant Vice President.

P.S.—Open a new Money Market checking account when you open your CD and we'll waive the monthly service charges for a full year (and provide your first order of checks free.) Ask us for details!

2.00% BONUS CERTIFICATE

This entitles David M. Willett to 2.00% bonus interest when opening a six-month Money Matrix CD* with \$5,000-\$89,999 (from another financial institution) at the American Savings Bank office listed below. If the person named also opens a new Money Market checking account, American Savings Bank will waive the monthly service charges for one year and provide the first order of checks absolutely free. Offer expires July 16, 1990. Non-transferrable. Offer limited to one account per customer. Jumbo accounts excluded. Personal funds only. *Substantial penalty for early withdrawal.

Please See Other Side For Valuable "rain check"

American Savings Bank, 31877 Del Obispo Street, San Juan Capistrano, CA 92675.

NATIONAL HOSIERY WEEK 1990

Mr. HELMS. Mr. President, the week of August 12-18 will mark the 19th annual observance of National Hosiery Week, and it gives me great pride to devote a few moments to the accomplishments of this remarkable industry.

Mr. President, for the fifth consecutive year the American hosiery industry's production has increased. In 1989, the industry hit a record-breaking high of 346,346,000 dozens of pairs. Hosiery shipments in 1989 were up more than 31,000,000 dozens of pairs over the 1988 level. Obviously, with

production and shipments reaching all-time highs, 1989 was indeed a prosperous year for the hosiery industry.

Mr. President, employment in the domestic hosiery industry has increased to more than 70,400 people in 28 States. These citizens are employed by 325 companies operating 412 plants throughout the country.

The Southeast continues to lead the Nation in hosiery production. In fact, 94 percent of the hosiery production takes place in a six-State region, which includes Alabama, Georgia, Kentucky, South Carolina, Tennessee. I am proud to say that North Carolina produces more than one-half of the socks and pantyhose in the United States. In the North Pennsylvania and New York continue to be the primary hosiery producing States, while Wisconsin still produces the most in the Midwest.

Mr. President, while hosiery is not immune to foreign competition, it has been able to compete to a greater degree than other sectors of the textile/apparel industry in recent years. Although 1989 hosiery imports reached 14,957,275 dozens of pairs—a significant increase over the 1988 level—it is comforting that imported hosiery represents just 4.2 percent of the domestic hosiery market.

On the other hand, the U.S. hosiery industry continues to be aggressive in foreign trade, exporting 5,725,327 dozens of pairs in 1989. This is due to the industry's efforts to improve productivity and flexibility with new equipment and more effective use of human resources. These efforts are a direct result of the industry's unfailing commitment to quality and value.

So, Mr. President, North Carolina remains the vanguard of the hosiery industry, generating almost one-half of the total domestic production and employing nearly 40,000 people within the State. That is why I am particularly proud each year to come to the Senate floor to help celebrate this special occasion for a very special industry.

TERRY ANDERSON

Mr. MOYNIHAN. Mr. President, I rise to inform my colleagues that today marks the 1,924th day that Terry Anderson has been held in captivity in Beirut.

NELSON MANDELA AND THE END OF APARTHEID

Mr. RIEGLE. Mr. President, for the next week, America will be honored by the presence of a man who has spent his life in the struggle against oppression. Even though he has been silenced, jailed, and kept from his family and friends, his dream of freedom for his nation has lived on in the hearts and minds of his people. Not

unlike other prisoners of conscience, such as Mohandes Ghandi and Andrei Sakharov, his imprisonment only sparked a fire which has forever made him a legend and a leader in the campaign for human rights.

After more than 27 years in prison for espousing freedom and equality for the people of South Africa, Nelson Mandela was finally released on February 11, 1990. From dancing in the streets of Durban to celebrations in downtown Detroit, the whole world rejoiced at the return of Nelson Mandela to the fight against racial subjugation.

Apartheid, the system of institutionalized racial segregation and oppression in South Africa, has existed in the law of South Africa for over 40 years. Since September 1984, tragically, more than 4,000 people have been killed and more than 50,000 jailed as blacks have courageously risen up to end the violent oppression of apartheid. Furthermore, a harsh state of emergency, imposed in 1985, has allowed the white minority government to intensify its crackdown on political opposition through the imposition of strict regulations on the press and ruthless controls on the political activities of antiapartheid organizations.

During the last year, however, there have been signs that change may finally be occurring in South Africa. Nelson Mandela and other political prisoners have been released. And, President de Klerk has begun a dialog with Mandela which may lay the groundwork for formal negotiations on power sharing.

But while there has been some alteration in the methods of South African injustice, the truth is that apartheid still thrives in South Africa. Not only do blacks and other racial minorities remain excluded from government, but the laws which form the backbone of apartheid remain in full force. The detested Population Registration Act and the Group Areas Act, continue to force South Africans to register with the government by race and to herd blacks into areas where only they can live—communities where social services, such as basic education and sanitation, are nonexistent or severely restricted.

Although several peripheral aspects of apartheid have changed, its most cruel components remain firmly entrenched and the burden of racial oppression still hangs over the heads of South Africa's majority. Until the South African Government commits itself to good faith negotiations on political equality for all races and the lifting of this heinous system, the United States must not consider any reduction in the economic sanctions which have helped to bring the South African Government to the early stages of political compromise. As a long-time supporter of the fight against apartheid, I will follow the

lead of Mr. Mandela as he calls on the United States and the Western World to hold fast against the terror of apartheid and not to ease our sanctions.

With dignity, humility, and overwhelming force of personality, Nelson Mandela is the right person to lead South Africa out of its oppressive past. Mr. Mandela's commitment to the principle of one person, one vote and freedom and equality for all South Africans represents a light at the end of the long tunnel of apartheid. After 27 years in prison, who other than Nelson Mandela could be released from incarceration and within a few short months begin to discuss reconciliation and the creation of a new South Africa with his former jailers.

During my lifetime—

Stated Mandela in 1964 after being sentenced to life in prison—

I have dedicated myself to this struggle of the African people. I have cherished the ideal of a democratic and free society in which all persons live together in harmony with equal opportunities. It is an ideal which I hope to live for and achieve, but if need be, an ideal for which I am prepared to die.

Mr. President, as liberation is finally within sight, we must also dedicate ourselves to a free South Africa. With the visionary and compassionate leadership of Nelson Mandela, we will surely have an example to emulate and a path to follow as we in America maintain pressure on the white minority government and do our part to end apartheid.

QUENTIN BURDICK—30 YEARS IN THE SENATE

Mr. FOWLER. Mr. President, as one who feels privileged to have served for barely 3 years in this august body, it is with more than a little awe and admiration that I rise to congratulate our colleague from North Dakota on his record of 30 years' public service in the U.S. Senate.

QUENTIN BURDICK's endurance is all the more remarkable when we look at the kinds of tasks he has shouldered. He has never been deterred either by complexity or magnitude. He has not shied from the unglamorous but absolutely essential mastery of the nuts-and-bolts workings of Government.

As a member of the Judiciary Committee in the seventies, he devoted a decade to the updating of our bankruptcy laws. This is a perfect example of how Senator BURDICK has always applied himself to a difficult, laborious task and seen it through with the steadfast determination and strong sense of responsibility that people want from their Government.

In the eighties, Senator BURDICK devoted himself to service on the Appropriations Committee. It has been my honor to work with him on that com-

mittee and to learn from him as he pursues the cause of his constituents with great commitment and integrity.

We could describe Senator BURDICK as hard working, but quiet, and humble. There is little seeking of limelight, but much laboring behind the scenes. We should not be surprised to see that our unprepossessing colleague has worked his way to the forefront, after all.

As chairman of the Senate Committee on the Environment and Public Works, Senator BURDICK has begun the work of restoring our natural heritage that—as we all recognize—has reached a critical stage, that represents one of the most important priorities for the Senate in the 1990's.

We are grateful for his 30 years of service. We will owe him a debt of gratitude for far longer than that for his work to clean up our water, to clear our skies of pollution, to contain the spread of toxic wastes, to protect our dwindling wildlife, and to preserve something of the America we knew for the generations to come. We have a lot of work still ahead of us to keep from spoiling this sweet land of liberty. I look forward to continuing to work with my friend from North Dakota toward that goal.

HARRY VANDERLINDEN: A FINE AMERICAN, A FINE TAR HEEL

Mr. HELMS. Mr. President, I have just learned of the death of a distinguished North Carolinian, William Harrison Vanderlinden, Jr., who was a very special citizen in so many ways.

All of us who admired and respected Harry Vanderlinden remember the countless ways in which he worked and sacrificed for his country and his State. During World War II, then a captain in the U.S. Army's 96th Division, Harry was seriously wounded when United States Forces invaded Okinawa in 1945. Those of us old enough to remember the traumatic years of World War II know that the battle at Okinawa was among the fiercest fighting in the war in the Pacific. A year earlier, Harry participated in the early stages of the liberation of the Philippines.

Then, Mr. President, when Harry Vanderlinden came home from the war, he served in the North Carolina House of Representatives.

Obviously, I held Harry in great admiration. Moreover, Harry's brother, Frank van der Linden, has been a very special friend for many years. Frank is an able journalist who has been covering the Washington scene for a generation. And, by the way, Mr. President, Frank van der Linden chooses to spell his surname in, as he puts it, "the old Dutch way."

In a moment, I shall ask unanimous consent that an article from the Hickory Daily Record of June 16 be printed in the RECORD at the conclusion of my remarks. It is headed "Harry Vanderlinden Dies At Age 73" and its author, Tracy Becker, details some of the achievements of Harry's life.

Mr. President, Mrs. Helms and I extend our deepest sympathy to Harry's fine family, and I now ask unanimous consent that the aforementioned article from the Hickory paper be printed in the RECORD at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From The Hickory (NC) Daily Record, June 16, 1990]

HARRY VANDERLINDEN DIES AT AGE 73
(By Tracy Becker)

William Harrison "Harry" Vanderlinden, Jr., 73, of 657 Twentieth Avenue Drive, NW, in Hickory, died June 15, 1990, at Frye Regional Medical Center after a brief illness.

Vanderlinden was born April 2, 1917, in Hendersonville and was the son of the late Dr. W.H. Vanderlinden and Floride Morris. Vanderlinden, a 1937 graduate of Lenoir-Rhyne College, was a retired brigadier general with the National Guard and a decorated combat veteran of World War II. He enlisted as an infantry private in August of 1941 and terminated active duty in December 1945 as captain.

In addition, he was commanding general of the 30th Infantry Division (Mechanized), North Carolina Army National Guard.

Vanderlinden held the Purple Heart with Cluster, Bronze Star Medal, Combat Infantry Award, N.C. Distinguished Service Medal and the Legion of Merit.

He was a graduate of the U.S. Army Infantry School and the Command and General Staff College, and he completed a senior reserve component course at the U.S. Army War College.

Vanderlinden worked for the city of Hickory Public Works Department following his graduation from Lenoir-Rhyne College in 1937 until August of 1941. He began work in 1946 with Setzer Construction Co. and later served as a president and treasurer for the company after it was reorganized to become Midstate Contractors Inc. Vanderlinden retired from Midstate in January of 1983.

The organizer of Asphalt Paving Co. in 1953, Vanderlinden served as a president and treasurer for the organization until May of 1984, when the company was sold and he retired from business.

Vanderlinden served in the North Carolina House of Representatives 1947-49 and was a former chairman of the Catawba County Democratic Party.

Vanderlinden was a past president of the National Asphalt Pavement Association, the Carolina Asphalt Pavement Association, and the Carolinas Branch of Associated General Contractors of America.

He also was a past president of the Better Transportation for North Carolina Inc., the Hickory Rotary Club, Hickory Chamber of Commerce and Catawba Springs Development Corp.

In addition, Vanderlinden served in various capacities with the Lenoir-Rhyne College Development Board, the First Security Co., the Catawba County Chamber of Commerce, and the Catawba County Historical

Association, among others. He also received various honors and awards for his achievements in various organizations.

Vanderlinden was a charter member of Northminster Presbyterian Church.

Survivors include his wife, Martha Link Frye Vanderlinden of Hickory; two sons, William Lee Vanderlinden of Atlanta and William Harrison Vanderlinden II of Hickory; a daughter, Martha V. Cotton, of Hickory; three granddaughters, Lisa V. Cook, Misty Nicole Vanderlinden, and Morgan Link Vanderlinden, all of Hickory; four grandsons, William Lee Vanderlinden Jr., Chad S. Vanderlinden, Joab Cotton IV, and Joshua Linden Cotton, all of Hickory; two sisters, Suzanne Hall, of Cleveland, and Emily Williams, of Winston-Salem; and a brother, Frank Vanderlinden, of Washington, D.C.

The funeral will be conducted by Dr. James R. Stephenson at 11 a.m. on Monday. Burial will be at Oakwood Cemetery.

The family will be at Bass-Smith Funeral Home from 7 p.m. to 8:30 p.m. Sunday.

Honorary pallbearers are members of the Hickory Rotary Club and members of the Retired Officers Association.

Memorials can be made to the Hickory Rotary Club or to a favorite charity. Full military rites will be conducted by the North Carolina National Guard.

SENATOR BURDICK'S 30TH YEAR IN THE SENATE

Mr. PRESSLER. Mr. President, it is a pleasure to commend QUENTIN BURDICK, the distinguished senior Senator from my neighboring State, for his 30 years of outstanding service in this body. It is truly a noteworthy accomplishment to qualify as one of only 36 Senators in our Nation's history to ever reach such a landmark of public service.

During the historical 100th Congress, I had the privilege of serving with Senator BURDICK on the Environment and Public Works Committee under his able chairmanship. I know firsthand of his significant contributions to that committee, this entire body, and our Nation.

Senator BURDICK has been particularly active in initiating and supporting legislation for rural America. He has ardently defended rural electric programs and consistently advocated the improvement of rural health programs. North Dakota ranks first in USDA research funding per capita through Senator BURDICK's efforts. He has worked to boost agricultural exports, provide drought relief and fund agricultural programs. As the chairman of the Appropriations Subcommittee on Agricultural and Rural Development, he has vigorously attended to the needs of his home State. In March 1989, Senator BURDICK was honored with an award for meritorious service to the Farmers Union and to American agriculture.

Senator QUENTIN BURDICK has served North Dakotans well by remaining loyal to his own progressive farm heritage. He is an excellent Senator, a good neighbor and a great friend. I congratulate him for his ac-

complishments and thank him for his tremendous contributions.

THE ROLE OF OUR EMBASSIES

Mr. PRESSLER. Mr. President, I recently met here in Washington with United States Ambassador Charles Gargano from Trinidad and Tobago, a small twin island democracy in the Caribbean. We had very enlightening conversation on the roles of U.S. Embassies and Ambassadors, which I found very stimulating from a public policy perspective. As someone who works with many of our Embassies on trade issues concerning my constituents, I found his observations both educational and illuminating. We need to be more aggressive in our overseas markets and developing trade from a U.S. business point of view. I found Ambassador Gargano's ideas and in this area very compelling.

I have read one of Ambassador Gargano's papers, entitled "U.S. Embassies Abroad: We Mean Business," and have had the privilege of reading one of his recent speeches on this subject. I would like to share both with my colleagues who are interested in trade issues and who, like me, are interested in improving our constituent services for our small businesses that want to become more active in international trade.

We need to be tougher and compete more effectively with Japan, the European Community, and others. Our embassies play a key role in this area. In our ever shrinking global village, we must become more aggressive in helping our small businesses and others compete so that we can meet the international trade challenges being raised around the world. I think Ambassador Gargano's insights will prove very useful to others who share my interest in this area.

I ask unanimous consent that both his paper and a text of one of his recent speeches on the subject be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. EMBASSIES ABROAD: WE MEAN BUSINESS

(By Ambassador Charles Gargano)

American businessmen are starting to feel more at home in U.S. embassies abroad.

It should always have been so. But, from what some of our own embassy's U.S. business visitors have told me, they have not always gotten the attention they needed from our government overseas.

Perhaps that is because our missions abroad traditionally focussed on geopolitics. But the world is changing. As Deputy Secretary of State Larry Eagleburger made clear in a recent speech, geopolitics must now include trade relations as a major component.

American business must become even more competitive world-wide. The Japanese will continue to contest foreign markets with us. The big European economies will also be tough competitors, especially after

the unified market comes into effect in 1992.

As U.S. Ambassador for a year and a half in Trinidad and Tobago, an oil-rich, twin-island democracy of 1.2 million people in the Caribbean abutting Venezuela, and as a former businessman myself, I know that our embassies can and do help businesspeople to compete overseas.

U.S. exporters, for example, tend to lack economic data and business contacts when they go abroad. Embassies can be a valuable first point of contact for such visitors.

In Trinidad, we have been of particular assistance to U.S. investors in such areas as oil, petrochemicals, banking, insurance, and light manufacturing. Many have been large, well-known companies, giving the lie to what was once a standards excuse for embassy passivity: "The big guys can take care of themselves; they don't need us."

Wrong. They do need us. An embassy can be of real assistance at those infrequent but crucial junctures where a joint venture negotiation is in danger of breaking down, an American company feels it is being squeezed unfairly by the host government, or important (and justified) work permits are being denied or delayed.

At such times, an Ambassador and his staff can often cut through the red tape, speak directly to the people who count, and deliver a vital message or set up a crucial meeting.

Needless to say, it is in the end always up to the businesspeople themselves to make their case. We can only facilitate. But this marginal help can sometimes make the difference.

Embassies assist commercial visitors in more routine ways as well. Every U.S. embassy, for example, puts out an annual Foreign Economic Trends (FET) report—a comprehensive look at the host country's economic policy and practice. Business visitors have told us that they found our FET a quick way to get a no-nonsense, statistically-based description of Trinidadian economic trends written from an American viewpoint.

Our Embassies offer still other services—such as finding potential distributors for a U.S. firm's products—which are normally initiated at the U.S. end, whether in Washington or from one of the Commerce Department's U.S. field offices.

Embassies can also give vital assistance to American business by voicing the U.S. viewpoint when the host country's economic policies are being decided. In Trinidad, for example, I have spoken out publicly on the subject of foreign ownership. Outsiders currently can own a majority of shares in a company only by requesting an exemption from the law. Many exceptions are granted, but they can be time-consuming, and the process constitutes an obstacle that outside investors would rather not encounter.

My stance has drawn a few accusations of "interference" in this country's affairs. My response is that Trinidad is actively seeking foreign investment, and I would be remiss not to let lawmakers and others here know how U.S. businessmen react to their Aliens' Landholding Act in its current form. Other countries' embassies in Washington, by the way, routinely make known their views on legislation they favor—a practice widely regarded as healthy for us and them.

This brings up another point. I see nothing incompatible between assisting American businesspeople and helping the people of Trinidad. We try to do both.

I responded enthusiastically, for example, to a request to help T&T officials set up

meetings with large cruise ship companies in the U.S. with a view to attracting more tour ships to Trinidad and Tobago. Pursuant to these meetings, T&T plans to host 190 ship stops in 1990, as opposed to 86 in 1989. This is good for Trinidad, and for us.

If the partnership between U.S. embassies and U.S. businesspeople is going to work, of course, visitors have to let us know their problems. This is best done before a crisis occurs. We encourage American companies visiting Trinidad to come in and brief us on their efforts so that, if and when they need help, we will be in a better position to provide it.

Deputy Secretary of State Eagleburger has stressed that our Embassies should be doing all they can to make it easier for American companies to compete around the world.

That's exactly what my Embassy in Trinidad, and others around the world, are trying to do. An increasing number of important American businesspeople are taking advantage of our willingness to assist. That tells me that our help is needed and appreciated.

SPEECH BY AMBASSADOR CHARLES GARGANO

Ladies and Gentlemen: For the past two years, I have been privileged to be the American Ambassador in the Caribbean island-nation of Trinidad and Tobago.

Being an Ambassador involves one in a whole variety of activities: negotiating bilateral agreements, reporting to Washington on political and economic conditions, fighting drugs, protecting American citizens, promoting American business.

All these activities are important, and I have found all of them challenging.

But, since I had been a businessman my entire career, it was natural for me to pay special attention to the business and commercial aspects of my job.

It was also timely that I do so, since these last two years have seen a renewed emphasis by the State Department in supporting our businesspeople in foreign countries.

I want to talk to you today about how our embassies are promoting U.S. business abroad, and, specifically, what we have been doing in Trinidad and Tobago to make life easier, and more profitable, for the businesspeople who come to us for help.

THE WORLD IS CHANGING

First, let's look at the dramatic way the world is changing around us, and what this means for American business.

Not since the end of World War Two have we been shaken up so profoundly.

The destruction of the Berlin Wall is a symbol of the disintegration of trade barriers everywhere.

The single European market, the U.S.-Canada Free-Trade Agreement, the brand new trade agreement between the U.S. and Mexico as well as the fresh, free-market spirit that is sweeping the world from the Soviet Union to South America—such changes are radically altering the world business environment.

The gut meaning of these changes is that competition is getting stiffer for everybody, including us.

Fortunately, American business has been getting in shape for these challenges for at least a decade.

The Japanese made us realize that the U.S. market could no longer be isolated from the rest of the world.

As a result, American firms today are more aware of international competition and international opportunities, and they are more aggressive in meeting them.

More companies than ever are exporting to increase sales.

More companies are sourcing their inputs from abroad to cut costs to stay competitive.

And more companies are looking at joint ventures with foreign firms to penetrate new markets, acquire new products, and new technologies, and get further financing.

THE ROLE OF EMBASSIES

But we still have a great struggle ahead of us if we are to outdistance our foreign competitors in the coming years.

This is where our Embassies can play a role.

In the past, U.S. companies have not always gotten the service they wanted from our Embassies.

Our missions abroad were sometimes criticized for paying too much attention to geopolitics and to maintain smooth relations with the host government, and not enough to furthering U.S. commercial interests.

Things have changed.

Today, most U.S. Ambassadors would list support for American business as one of their top priorities.

Just as American companies have learned to be more aggressive in the international marketplace, so too have American Embassies changed the way they view their responsibilities.

Since this changing role for our Embassies may not yet be fully understood by our businesspeople, let me explain the kinds of services we offer.

First, for individual business visitors, the Embassy can be a valuable first point of contact.

We provide information and advice on local market trends, import regulations, and product standards, as well as on the creditworthiness of local firms.

We can give visitors a feel for current political and macroeconomic trends which affect their business.

Most important, we have lists of potential buyers, and can make referrals to vital government contacts.

Secondly, we devote plenty of attention to organized business groups.

Embassies are often called upon, for example, to assist trade delegations sent to our countries by State governments or industry groups.

Just last week, in fact, my Embassy assisted a delegation of businesspeople from Florida.

We made all the necessary local arrangements and provided each delegation member with a schedule of meetings tailored to his or her special interests.

On the delegation's last day in Port of Spain, I hosted a gathering for the group in the evening at my residence, so members could meet prominent local business figures and government officials.

The result was * * *

We intend to follow up.

Our Commercial Attache will remain available, after the Florida people leave, to help sort out problems that may arise, such as nonpayment or seizure of goods.

After all, we are on the scene—our Florida friends aren't.

Often, our intervention in such cases can prompt quick action.

A third kind of service, embassies are continually alert to major projects or government tenders that offer opportunities for U.S. exporters.

Many local firms call us first when they are looking to buy products. By the way,

you need not travel overseas to take advantage of many of these services.

The Department of Commerce maintains a network of 49 district offices located in major cities around the country. These serve as a kind of domestic sales force for a full range of export services that tap into the expertise of our Embassies abroad.

For example, the sales opportunities that we pick up overseas are reported routinely in a Department of Commerce publication, the *Journal of Commerce*. And there is even a "Comparison Shopping Service" that produces market research reports tailored to a company's specific products.

So a local Commerce Office can be of real value to companies wondering where in the world to find the best market for their product, and who need a targeted, cost-effective, global marketing approach.

EASTERN EUROPE

With an increasing number of American companies taking advantage of our willingness to assist, one of our main problems is finding the resources to do the job.

Our East European missions in particular are being swamped with business visitors. Commercial offices that used to average only ten visitors a week are now expected to cope with 50 or 60, with no increase in resources.

Eastern Europe is a difficult place to do business, and U.S. companies are having trouble coping with nonconvertible currencies, inadequate property safeguards, and rapidly changing commercial climates.

The points to a critical need to beef up our support for U.S. firms in Eastern Europe if we are to hold our own against the West Europeans, with their natural advantage, and the energetic Japanese.

To meet this need in Eastern Europe, and to bolster our presence in Japan, the Administration has asked for a \$10 million, or 12 percent, increase in its export promotion budget for FY 1991. That is only half the cost of one F-16 fighter plane. We think it would be money well spent.

TRINIDAD AND TOBAGO

Let's now return to embassies, and to some more real-life examples. Of course, it is in Trinidad and Tobago that I have had my own experience as a U.S. Ambassador assisting American businessmen.

So perhaps the best way to show how embassies support business is to describe further how my own embassy has gone about it in Trinidad, an oil-rich democracy of 1.3 million people located at the end of the Caribbean island chain, near Venezuela. Let's start with the Mobil Oil Company.

In July of 1988, Mobil was awarded oil exploration rights by the Government of Trinidad and Tobago in a newly opened offshore block. For the next 14 months, top Mobil officials engaged in strenuous, often frustrating negotiations on the terms of a joint operating agreement with a local, state-owned oil company.

Throughout, Mobil negotiators worked closely with me and my Embassy staff on all aspects of the talks. We advised Mobil on whom to see and how to present arguments with maximum effect. We kept Mobil apprised of developments that affected negotiations—like debt restructuring efforts that made the Government reluctant to take on large new debt obligations. We pressed Mobil's case with officials in the Energy and Finance Ministries, and supported ministerial appointments for Mobil negotiators at crucial junctures.

I myself made personal calls on Ministers on Mobil's behalf. The end result was an

agreement which, while tough, was one Mobil obviously felt it could live with. That's not all.

The completion of the Mobil deal, which contained agreement with the government on several fundamental issues, allowed three other U.S. oil companies to finalize their negotiations. This meant strengthened opportunities for our oil companies; a major injection of U.S. capital for Trinidad and Tobago; and, if more oil is found, an increased oil supply for the United States from a close, stable, democratic neighbor.

Let me give you another example. This one concerns the Continental Oil Company, or CONOCO. CONOCO wanted to enter a joint venture with Trinidad's National Gas Company to build a world-class liquid gas separation plant. The idea was to capitalize on Trinidad's enormous natural gas reserves.

The negotiations were hard, and, for the Americans, strewn with obstacles—such as an early requirement by the Government that CONOCO accept an unwelcome European joint venture partner. We started meeting with CONOCO executives, and were able to provide continuing commercial intelligence as well as advice on how to deal with the government. We also took various opportunities to raise CONOCO's concerns with senior government officials. The final result was that last November, after months of negotiations, CONOCO and the U.S. engineering firm Pan West signed a joint venture agreement with the local gas company to build Trinidad's \$95 million Phoenix Park plant.

When CONOCO's Executive Vice President met with me after the signing ceremony, he said he had never received so much support from an embassy in his 30 years in the business—a compliment which I treasure.

Here's still another example. This one involves the new international airport that is projected for Port of Spain, estimated at the moment to be a \$250 million venture. The airport project may not only make Trinidad a regional air hub, but has major implications for the development of the country's tourism industry.

Our embassy played an instrumental role in obtaining a U.S. government grant for an airport development study, helping to ensure that a U.S. management firm landed the long-term development contract. We also arranged for a USIA grant to allow the head of Trinidad's Airport Authority to travel throughout the United States. This allowed him to make key contacts in the industry, and has given U.S. suppliers the inside track for procurement of equipment and services.

American firms are now well placed to play the greatest possible role in this exciting venture. I have a final example for you, this one involving a medium-sized Florida company, Monogram Products, Inc. A year or so ago, Monogram decided to shift production of its Christmas ornaments from China to the Caribbean basin.

After having contacted the Commerce Department and talked with our Embassy's Commercial Attache, who was in the U.S. at the time, Monogram chose to come first to Trinidad. When Monogram officials arrived, we had appointments set up for them with top government people and with potential joint venture partners. Within two days, Monogram had a partner.

Within five weeks, the company had all the necessary government approvals. Monogram's President, Chuck Burkett, has been

effusive in giving our Embassy credit for much of his firm's success so far.

AN EMBASSY ONLY HELPS, BUT SUCH HELP CAN BE CRUCIAL

Those are four real-life cases from Trinidad. They show how an Embassy can assist business; and they show some other things as well. First, they give the lie to what used to be a standard excuse for embassy passivity—the contention that "The big guys can take care of themselves; they don't need us." That's wrong—they do need us.

An Embassy can be of real assistance at those important junctures where a joint venture negotiation is in danger of breaking down, a U.S. company feels it is being squeezed unfairly by the host government, or crucial authorizations are being denied or delayed. At such times, an Ambassador and his staff can often cut through the red tape, speak directly to the people who count, and deliver a vital message or set up an impassive meeting.

Second, these examples sound a warning—that an embassy can play a facilitative role only. In the cases involving American companies, it was not the American Embassy but the companies themselves who were primarily responsible for the success of their efforts. Our role was important, but secondary.

Third, the examples show that embassies can only help firms which show that they want to be helped. The companies involved briefed us on their strategies, kept us up to date on developments as they unfolded, and solicited our advice and intervention when they thought these could be useful. In other words, unless a real partnership evolves between a company and the embassy, the embassy can't be of much help.

THE EMBASSY'S POLICY ROLE

Let me now share with you one last way in which a U.S. embassy abroad can help U.S. business, and let me once again use an example from Trinidad. An American embassy can be an influential institution in a foreign country, especially a small or medium-sized country. In such a situation, an Embassy can help U.S. business by voicing the American viewpoint when local economic policies are being decided.

In Trinidad, for example, I have spoken out publicly on the need to restore unreasonable restrictions on foreign investment if the country indeed wants to attract investors from abroad. I am happy to report that just last month the Trinidadian Senate passed new legislation which, while not perfect from our viewpoint, represents a major step toward an open investment regime.

I believe that this welcome change stemmed in part from our honest dialogue with Trinidadian officials on the stifling effect on the previous law. The result is that, from now on, American investors in Trinidad will meet fewer obstacles than in the past. Both countries should benefit.

CONCLUSION

Ladies and gentlemen, let me conclude my remarks by restating my message. The U.S. government is making a major new thrust to assist American businesses to hold its own in a world that will be sharply more competitive than in the past.

The State Department, whose front-line units are U.S. embassies, is determined to play a strong role in this effort. Ambassadors and their embassies can be of most assistance to American companies who show that they want our help by keeping us informed of their problems on a routine basis.

If businesspeople do that, we'll show them that we, too, mean business.

CONCLUSION OF MORNING BUSINESS

The **PRESIDENT** pro tempore. Under the order, the hour of 9:30 having arrived, morning business is closed.

NATIONAL AFFORDABLE HOUSING ACT

The **PRESIDENT** pro tempore. The Senate will resume consideration of the pending business, S. 566.

The clerk will report.

The legislative clerk read as follows:

A bill (S. 566) to authorize a New Housing Opportunities Partnerships Program to support State and local strategies for achieving more affordable housing to increase home ownership, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

(1) Cranston (for D'Amato) amendment No. 2041, to express the sense of the Senate regarding the Mutual Mortgage Insurance Fund of the Federal Housing Administration.

(2) D'Amato modified amendment No. 2042 (to amendment No. 2041), in the nature of a substitute.

The **PRESIDENT** pro tempore. What is the will of the Senate?

Mr. **FORD** addressed the Chair.

The **PRESIDENT** pro tempore. The Senator from Kentucky [Mr. **FORD**].

Mr. **FORD**. Mr. President, would it be permissible for me to ask unanimous consent that I might proceed for 3 minutes as if in morning business?

The **PRESIDENT** pro tempore. Is there objection?

Mr. **COHEN**. Reserving the right to object, may I inquire, following the extension of 3 minutes, is it the position of the Chair that we are scheduled to vote?

The **PRESIDENT** pro tempore. There is supposed to be a call for the Sergeant at Arms. But that has to be preceded by a quorum call.

QUORUM CALL

Mr. **FORD**. Mr. President, let me withdraw my request for 3 minutes, and I suggest the absence of a quorum.

The **PRESIDENT** pro tempore. The absence of a quorum has been suggested. The clerk will call the roll.

The legislative clerk proceeded to call the roll, and the following Senators entered the Chamber and answered to their names:

[Quorum No. 2]

Bumpers	Inouye	Robb
Byrd	Johnston	Sanford
Cohen	Kennedy	Stevens
Cranston	Kerrey	Warner
Ford	Kohl	Wirth
Fowler	Mitchell	
Gore	Murkowski	

The **PRESIDING OFFICER** (Mr. **ROBB**). A quorum is not present. The clerk will call the names of absent Senators.

The legislative clerk resumed the call of the roll.

Mr. **MITCHELL**. Mr. President, I move to instruct the Sergeant at Arms to request the attendance of absent Senators, and I ask for the yeas and nays.

The **PRESIDING OFFICER**. Is there a sufficient second? There is a sufficient second.

The yeas and nays are ordered.

The **PRESIDING OFFICER**. The question is on agreeing to the motion of the Senator from Maine. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. **CRANSTON**. I announce that the Senator from Montana [Mr. **BAUCUS**], the Senator from Oklahoma [Mr. **BORN**], and the Senator from South Dakota [Mr. **DASCHLE**] are necessarily absent.

I also announced that the Senator from Maryland [Ms. **MIKULSKI**] is absent because of illness.

I further announce that, if present and voting the Senator from Maryland [Ms. **MIKULSKI**] would vote "yea."

Mr. **SIMPSON**. I announce that the Senator from Colorado [Mr. **ARMSTRONG**], the Senator from Minnesota [Mr. **DURENBERGER**], the Senator from Utah [Mr. **GARN**], the Senator from Idaho [Mr. **MCCLEURE**], the Senator from Idaho [Mr. **SYMMS**] are necessarily absent.

The **PRESIDING OFFICER**. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 76, nays 15, as follows:

[Rollcall Vote No. 124 Leg.]

YEAS—76

Adams	Ford	Metzenbaum
Akaka	Fowler	Mitchell
Bentsen	Glenn	Moynihan
Biden	Gore	Nunn
Bingaman	Gorton	Packwood
Boschwitz	Graham	Pell
Bradley	Grassley	Pressler
Bryan	Harkin	Pryor
Bumpers	Hatch	Reid
Burdick	Hatfield	Riegle
Burns	Heflin	Robb
Byrd	Heinz	Rockefeller
Chafee	Hollings	Roth
Coats	Jeffords	Rudman
Cochran	Johnston	Sanford
Cohen	Kassebaum	Sarbanes
Conrad	Kennedy	Sasser
Cranston	Kerrey	Shelby
D'Amato	Kerry	Simon
Danforth	Kohl	Simpson
DeConcini	Lautenberg	Stevens
Dixon	Leahy	Thurmond
Dodd	Levin	Warner
Dole	Lieberman	Wirth
Domenici	Lugar	
Exon	Mack	

NAYS—15

Bond	Inouye	Murkowski
Breaux	Kasten	Nickles
Gramm	Lott	Specter
Helms	McCain	Wallop
Humphrey	McConnell	Wilson

NOT VOTING—9

Armstrong	Daschle	McClure
Baucus	Durenberger	Mikulski
Boren	Garn	Symms

So, the motion was agreed to.

The **PRESIDING OFFICER**. A quorum is present.

Mr. **EXON**. Mr. President, I ask unanimous consent that I might be allowed to proceed as if in morning business for not to exceed 5 minutes.

The **PRESIDING OFFICER**. Is there objection? Without objection, it is so ordered. The Senator is recognized for up to 5 minutes as if in morning business.

Mr. **EXON**. Mr. President, could we have order in the Senate?

The **PRESIDING OFFICER** (Mr. **LIEBERMAN**). The Senate will be in order. The Senator from Nebraska has the floor.

TWO MATTERS MAKING THE ROUNDS IN CONGRESS

Mr. **EXON**. Mr. President, I rise this morning to see if I can lend at least one additional Senate voice to attempt to quiet the political part of two matters that are making the rounds in the Congress these days.

I make reference first to the extreme difficulties that America is facing. I reference the deep difficulties that the United States is wrestling with today with regard to the S&L bailout problems that threaten dire circumstances for the economic stability of the country, and also the very controversial matter with regard to the flag burning issue and the constitutional amendment connected therewith.

First, on the matter of the S&L bailout. As has been said on this floor on many, many occasions, there is plenty of blame to go around. I was quite discouraged, frankly, Mr. President, with a statement by Mr. Fitzwater, the leading spokesman for the President of the United States, last week, when he made a series of what I thought were irresponsible political charges, including a frontal attack on my great friend and colleague, Senator **BOB KERREY** from Nebraska.

The articles that appeared in the press at that time indicated that the President's key spokesman, and obviously speaking for the President of the United States—and, incidentally, that must be true, because a day or two later on one of his campaign trips to another State, this time Alabama, the President indeed endorsed the remarks made by his spokesman.

Mr. **KERREY** of Nebraska was a very distinguished Governor. I think it is not only unfortunate but I think it is wrong for the President and his spokesman to be attacking the great

record BOB KERREY set as Governor of the State of Nebraska.

The President's spokesman indicated that Senator KERREY should not be making any statements with regard to the deep problem of the S&L bailout, making reference to something that happened when BOB KERREY was Governor of my State. Mr. Fitzwater is wrong.

It is unfortunate that he made that statement. I think more than anything else, of all the statements that have been made these days, is the fact that if we are going to let politics prevail over everything else, if everybody focuses on the November 6 elections aside from everything else, then the real work that is necessary to be done to move America from its present perilous economic condition is harmed.

One thing that BOB KERREY did not do as the chief executive officer of the State of Nebraska, he did not blame the legislature when things went wrong, or allegedly when things went wrong, with regard to the key, fundamental responsibility of the executive.

I hope that we could get on with the matter of addressing frankly the S&L mess that we have in this country. I salute President Bush. I salute President Bush because he was the first President, long after it should have been brought to the public attention, that did have the courage to send a message to the Congress and ask us to do something about this impending peril. Unfortunately, Mr. President, I would point out that President George Bush was the same George Bush that was Vice President of the United States, with key responsibilities in a whole series of areas including the S&L problem, who was silent indeed on that matter when the administration at that time should have been acting.

I do not blame any one person. I do not blame any group of people. I simply say that this is a serious problem that is not going to be arrested and changed unless we have a thorough, open discussion of the issues without making it a matter of partisan politics.

Mr. President, with regard to the S&L crisis, I ask unanimous consent to have printed in the RECORD two excellent articles that appeared yesterday in the New York Times, "Savings Crisis Politics" by Nathaniel C. Nash and "Fraud Uncovered in Property Sales in Savings Rescue" by Stephen Labaton.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, June 21, 1990]
SAVINGS CRISIS POLITICS: DEMOCRATS VULNERABLE ON LOBBYIST LINKS, BUT RECENT HISTORY HURTS THE REPUBLICANS
(By Nathaniel C. Nash)

WASHINGTON, June 20.—If Republicans and Democrats move to a full-scale battle

over who is to blame for the savings and loan crisis, the outcome may be decided by whether the public has a long memory.

Democrats are vulnerable to reminders of their longstanding dependence on contributions from financial lobbyists. The White House can rightly list a number of past and present Congressional Democrats who caved in to political pressure from the savings and loan lobby or from savings and loan operators. The result was regulatory leniency, inaction and a significant increase in the ultimate cost of the bailout.

At the same time, the crisis came to a boil when, under Presidents Reagan and Bush, Republicans were so wedded to the idea of free-market non-interventionism that they overly reduced the number of examiners and industry supervisors.

The Democrats can rightly say that "de-supervision" of the savings industry—a subject on which Mr. Bush led a task force as Vice President—allowed high-flying entrepreneurs almost free reign to use depositors' funds on high-risk investments.

President Bush is specifically vulnerable to criticism about how long it took to start the bailout process and the slow pace of prosecutions of owners who looted their institutions, as well as for having greatly underestimated the size of the problem.

The vulnerabilities of each side are becoming more important with the round of political blameshifting touched off Tuesday when the White House spokesman, Marlin Fitzwater, attacked current and former Democratic members of Congress for their involvement in the savings and loan scandal.

The once-nonpartisan issue became partisan, many members of Congress and industry experts say, because of the approach of the fall elections and because of the cost of the debacle is finally sinking in among the public.

Neither Congress nor the President wants to say the buck stops here. For each, the trick seems to be how to gain distance from any aspect of the scandal.

White House officials say that Mr. Fitzwater's comments were inspired by attempts by Democrats to label President Bush as the "savings and loan President." That is unfair, the officials say, because Mr. Bush is the first President to confront the problem.

At a news conference today, Mr. Bush defended Mr. Fitzwater's comments.

"Marlin, properly, seeing a couple of shots across my bow from certain distinguished members of the Senate, decided not to acquiesce in those attacks without some response," the President said. "What he did was appropriate. I think more important than continuing to pour fuel on that spark is to work cooperatively with the Congress in trying to get this mess solved."

Perhaps the single most-telling measure of the influence of the industry's lobbying came in May 1987, when Congress was considering its first bailout of the savings industry.

Through the United States League of Savings Institutions, the industry produced an upset, winning a vote to limit the amount it would have to contribute to the bailout to \$5 billion, from the \$15 billion the Reagan Administration wanted.

Representative Claudine Schneider, a Rhode Island Republican who is attempting to defeat incumbent Senator Claiborne Pell, a Democrat, could run into trouble if Democrats make an issue of the fact that she voted against the \$15 billion bailout, to cite just one case.

The Democrats' strategy is predicated on the hope that voters have a short memory. They hope people will be concerned that the cost of the bailout is increasing and that crooks are still not in jail, rather than remembering the involvement of four Democratic Senators with Charles H. Keating Jr., the owner of the failed Lincoln Savings and Loan Association who contributed heavily to them. Or the fact that the former Speaker of the House, Jim Wright of Texas, and the former majority whip, Tony Coelho of California, resigned last year in part because of their involvement with savings and loan operators.

"The strategy is to point out that we are in a second S&L crisis, which began the day President Bush signed the bailout legislation into law," said Representative Charles E. Schumer, Democrat from Brooklyn. "What went before, both Republicans and Democrats share the blame in. But since last August, all the blame lands squarely on the Administration's doorstep."

Not so, say Republicans. One Republican lobbyist who asked not to be named commented: "It's sort of a mad dog, hard ball, intimidation style. You have to remind the Democrats of their past to keep them honest."

Still, some Republicans are worried that in the end the Democrats cannot be fought off. "The irony is that George Bush is the President who has tried to correct the problem," said Representative Jim Leach, Republican of Iowa. "He is now the individual most criticized."

[From the New York Times, June 21, 1990]

FRAUD UNCOVERED IN PROPERTY SALES IN SAVINGS RESCUE

(By Stephen Labaton)

The Federal rescue program to sell billions of dollars worth of property seized from failed savings and loans is just beginning, but Government auditors have already detected evidence of misconduct.

Regulators are investigating a series of questionable practices: fees and salaries of hundreds of thousands of dollars paid to consultants and former savings executives; country club and other expenses billed to the Government, and even an attempt to pay for one property with a suitcase full of cash, which may have been a money-laundering effort by organized crime.

Although the collapse of the nation's savings and loan industry has left a trail of losses, fraud and waste, officials and real estate experts say, the real problems are probably just starting. "There's a high potential for more scandal and rip-offs" in the coming sales, said Charles A. Bowsher, the Comptroller General.

EFFECT ON THE ECONOMY

The Government has decided to sell the foreclosed real estate as quickly as possible, with big auctions scheduled to begin in a few months. That was a policy decision intended to control the cost of the bailout to taxpayers. The reasoning has been that selling off the properties rapidly would be better for local real estate markets and the national economy than having the government hold a huge portfolio of assets, prolonging the uncertainty and drawing out the costs.

Essentially, the Government has decided that the economic risk from delaying the sales would be greater than the likely losses from the misconduct and mismanagement. Even officials at the Resolution Trust Cor-

poration, the government organization set up last year to handle the industry bailout, concede that the volume of real estate disposals will be so great that, short of staff and forced to take procedural short cuts, they will not be able to prevent problems.

CUTTING THE U.S. LOSSES

"We realize that this provides an enormous potential for sweetheart deals and other problems," said David C. Cooke, executive director of the Resolution Trust. "And we also realize we won't be able to eliminate it. Our hope is that we will be able to try to keep it to a minimum level."

Disposing of the savings industry's legacy of failed real estate investments, which range from single-family houses and office buildings to uranium mines and pasture lands, represents the biggest property sell-off in America's history.

The General Accounting Office, in determining where to direct Government auditing efforts, recently pinpointed 14 areas of activity most likely to cost taxpayers money from fraud, waste and mismanagement. The sales of savings and loan properties were one of the areas at the top of the list, along with Defense Department procurement and awarding Housing and Urban Development contracts.

After a policy review, the Resolution Trust decided that it lacked the real estate expertise to handle the selloff program itself, brokers and managing agents will be the conduit through which hundreds of billions of dollars in property will be maintained and sold. Accordingly, there is ample opportunity for some of these managers to arrange kickbacks, fraudulent expenses and favoritism in selecting subcontractors.

"It gets all the way down to hiring people to trim the grass," said John J. Adair, inspector general of the Resolution Trust.

To narrow the scope for abuse, the Government recently developed a series of economic incentives for the private managers of seized properties that ties their ultimate compensation to the final price for the asset, the speed with which it is sold, and the expenses incurred in maintaining it.

Still, Federal officials acknowledge that great potential for abuse remains.

"When you're talking about so much in assets—billions and billions of dollars—the potential is large that there will be abuses, especially since a lot of this is being handled by the private sector," said Mr. Cooke of the Resolution Trust. "If 90 percent of the people working for us are honest, that still means there will be 10 percent who won't abide by the rules, and that's a lot of money."

MINES, PASTURES, PARKING LOTS

The magnitude of the challenge facing the Government became clear last week. The Resolution Trust released its list of real estate for sale, 35,908 properties with a book value of \$14.9 billion. Though the list included mines, pasture lands, parking lots and golf courses, nearly 84 percent of it was residential property, mainly in Texas. A nationwide auction of other properties, each with a value of \$1 million or more, is scheduled for September to be conducted on closed circuit television, and regulators say they expect to conduct about four such large auctions each year.

The 35,908 properties had been owned by 148 failed savings and loans in liquidation. Last week, the Congressional Budget Office raised its estimate of the number of savings and loans that may eventually collapse to 1,700, of a total of 2,500 institutions in the

country. Analysts forecast that more than 300,000 properties will eventually will be sold because of the collapse of the savings and loan industry.

There are early signs that Government regulators have had trouble in curbing suspect practices. For example, Representative Bruce F. Vento, chairman of a banking committee group overseeing the Resolution Trust, said in Congressional hearings on Friday that six former executives of two California institutions placed under Government control, Mercury Savings and Western Empire Savings, as recently as May continued to draw six-figure salaries as high as \$300,000 or more, even though they had stopped working at the institutions many months earlier.

The Congressional panel also expressed concern about a \$500,000, one-year contract to a Salt Lake City consulting firm to manage a failed institution in Minneapolis, Midwest Savings, and arrange the sale of its assets. Representative Vento, a Minnesota Democrat, said that despite the expense, the consulting was done only part time and no serious bids were received for the bulk of the assets.

UNRELATED EXPENSES

Auditors for the General Accounting Office say there has been little oversight of the expenses billed to the Government in connection with the first 52 savings and loans sold by the Government last year. Many of their unmarketable properties are still owned by the Government, but managed by the buyers of the savings institutions, and therefore the Resolution Trust pays expenses associated with them. The Government auditors say they have found instances of country club expenses, rentals of vehicles and travel expenses that apparently were not related to the managing of the properties.

Staff members at the General Accounting Office who are monitoring the sales and conducting an audit of the Resolution Trust have identified several problem areas.

First, the regulators are still severely short staffed. The Resolution Trust has moved cautiously in hiring, filling about half of its budgeted staff. Mr. Adair, the inspector general, who is in charge of investigating suspicious dealings in the sale of assets, finally took office in April after several months of a lengthy nominations process.

INSUFFICIENT STAFF

Mr. Adair has so far appointed only four people, including his secretary. His department has a budget for 150 auditors and investigators who will be posted around the nation, looking into hundreds of cases, but he said that even that staff level may be insufficient.

Another potential problem, the auditors say, is that while regulators do conduct background checks of the purchasers of savings and loans, the Government is not screening any of the buyers of the failed institutions' assets. Regulators expect say that many of the buyers of the assets will be the property developers and speculators who defaulted on loans from savings institutions for the same property.

In a way, the process is set up to encourage a holder of property whose value has plummeted in a depressed real estate market to default on the loan and then repurchase the property at a substantially lower price.

The bidders for Government-seized assets are also expected to include savings and

loan executives who know the most about the true worth of the property being sold, but who share in the responsibility for industry's collapse.

"A lot of the same people are going to show up under new entities, trying to buy from the Government," said Mr. Bowsher of the General Accounting Office.

Such sales would often be less a legal problem than a political embarrassment. The sales would not be illegal, but they could prompt a public outcry because so much taxpayers' money is being consumed by Federal bailout.

The property sales, regulators say, could well provide organized crime with a comparatively easy way to launder profits from illegal activities, like narcotics sales. Mr. Cooke described a scene earlier this year in which the Resolution Trust halted the sale of an office building after a bidder tried to put down a deposit with a suitcase full of cash.

The contracting of hundreds of management agents, vendors and operators for an array of assets is being accomplished under less stringent Government procurement standards than those required for Federal agencies and departments. Under the Resolution Trust guidelines, the background of contractors is "self-certified," meaning that those who bid give their assurances that they are not criminals or in default on Government loans. While background checks of the winning bidders are expected to be accomplished through private firms, those firms have yet to be hired. Government officials are concerned about how it will be accomplished quickly, yet thoroughly.

"There's a lot of anxiety by the R.T.C. regional staff about how to enter into these contracts and the Washington staff has yet to issue any guidelines" said Gaston L. Gianni, an assistant director at General Accounting Office. "It's a very sensitive area."

Yet despite the risks, the historic property sale will soon begin. In regions like the Northwest, where few savings and loans have failed, the effect on home and land prices will be scant. But in Southwest, in particular the Resolution Trust sales will be closely watched since the sales could further depress weak local markets.

"We won't know whether we have reached the bottom of our real estate market until the R.T.C. sells off its properties here," said Ioanna T. Morfessis, chief executive of the Greater Phoenix Economic Council. "Those sales could have a big impact on property values in the Phoenix area."

Mr. EXON. Mr. President, with regard to partisan politics, I address briefly the other issue that is making the rounds these days, and that is the flag-burning issue.

Mr. President, this Senator said a long time ago, and this Senator says again today, that if I had a chance to vote, I would vote for a constitutional amendment to correct this problem. There are many of my colleagues who do not see it that way. I do not think less of them. I think this is a very fundamental issue which very well meaning people can be on each side of the issue.

I was quite discouraged again at a recent statement that came out of the White House—and a lot of irresponsible statements are coming out of the White House these days—when a

spokesman for the White House said that on the flag issue there was no need for the President of the United States to demagog this issue, that is what they have BOB DOLE for. I think that is nearly an exact quote.

The House of Representatives, whether those of us like it or not, failed to take the requested action to approve a constitutional amendment last night. I am disappointed in that outcome. Mr. President, if I had a chance to vote in the U.S. Senate I would vote, as I said a moment ago, for the constitutional amendment.

I noticed in the newspapers this morning that the minority leader was quoted as saying he is going to press for a vote on this issue in the U.S. Senate. I ask, for what possible constructive reason? I guess some people are still wanting to manufacture material for 30-second spots to try and gain an advantage in the upcoming elections. I see no need for a Senate vote on this matter. I see no real need for it as far as America is concerned. And the only reason that we would have a vote on that, I suggest, would be for political purposes, which I think is sad.

The PRESIDING OFFICER. The Chair recognizes the Senator from Massachusetts.

Mr. KERRY. Mr. President, I ask unanimous consent that I may be allowed to proceed in morning business?

The PRESIDING OFFICER. Is there objection?

Mr. BOSCHWITZ. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. BOSCHWITZ. I ask if we are going to proceed on the bill. If not, I will offer my amendment at a later date. I do not object to the Senator from Massachusetts proceeding, but if we are not going to be on the bill—

Mr. KERRY. Mr. President, it is my understanding with the distinguished Senator from California, I think was intending to do so but he gave me permission to proceed for a few moments prior to that.

The PRESIDING OFFICER. Is there objection? Hearing none, the Senator from Massachusetts is recognized for the purpose of proceeding as in morning business.

THE PEACE DIVIDEND

Mr. KERRY. Mr. President, I want to take a few moments, if I may, to call attention of the Senate to an article recently written by one of our colleagues.

As is often the case, our distinguished colleague from New York, Senator DANIEL PATRICK MOYNIHAN, is on the cutting edge in synthesizing and articulating critical issues of the day.

The latest example is the Senator's brilliant thesis which appeared in the

June 28, 1990 edition of the New York Review. Entitled "The Peace Dividend," Senator MOYNIHAN places the challenges of the end to the cold war in their proper perspective.

He notes that:

A sizable amount of money is not going to be freed up, at least not for years to come. The painful fact is that at the end of the cold war we are saddled with a war debt. That cold war went on for 40 years. * * * Toward the end we lost control of our finances. In the 8 years during the 1980's we borrowed the equivalent of 85 percent of the debt incurred during World War II. * * *

According to Senator MOYNIHAN the biggest challenge facing this Nation will not be that of "getting our finances in order. * * * The hard part will be getting our Government back in order."

For better or for worse, the United States became a national security state during the cold war. Senator MOYNIHAN then goes on to explain the inordinate price we paid during this 40-year period. He says:

* * * Error became a distinguished feature of this system. This is easy enough to explain. As everything became secret, it became ever more difficult to correct mistakes. Why? Because most of the people who might spot the mistakes were kept from knowing about them because the mistakes were classified. Of all the big mistakes, the biggest was our failure to spot the exhaustion of communism as a world force that had become unmakeable by the 1980's.

The real mystery and most telling revelation about the national security state is that we completely missed the collapse of the Soviet economy, a subject we are interested in and do talk about.

The national security state began to threaten the Constitution itself. From the time of the Vietnam war (itself the product of a huge intelligence failure): We thought the Soviets and the Chinese were collaborating, when in fact they were almost at war with each other, the executive branch has been more and more tempted to use secrecy to avoid responsibility, even legality. The Iran-Contra affair was only the latest such episode.

Worse, we are poisoning the wells of our historical memory. Of late, the Soviet Union has been going through an extraordinary period of exhuming the worst crimes of its hideous history * * * The United States has no such history.

The national security state consumes the Presidency. It grows more and more insulated from the people. * * *

Senator MOYNIHAN, himself, predicted the collapse of communism in a commencement address at New York University in 1984.

As a lesson of history, he recalls President Woodrow Wilson's prophecy of the price we would pay for rejecting membership in the League of Nations. President Wilson warned that in the absence of U.S. participation in the League of Nations we would have to maintain a "great standing army" with the "most modern of armaments."

President Wilson warned of a President, under these circumstances,

whose primary role was to function as a military chief. Under such a system:

Plans must be kept secret. Knowledge must be accumulated by a system which we have condemned, because we have called it a spying system. The more polite call it a system of intelligence. * * *

And you know what the effect of a military government is upon social questions. You know how impossible it is to effect social reform if everyone must be under orders from the Government. You know how impossible it is, in short, to have a free nation if it is a military nation.

Mr. President, the distinguished senior Senator from New York correctly points out that there, indeed, will be a peace dividend if measured in dollars alone. However, the real peace dividend, according to the Senator, will be:

How * * * We move from a national security state to a government that merely asks what are our interests abroad and our needs at home, and calmly and openly pursues them? What a wonderful challenge!

I urge all my colleagues not only to read, but also study this piece by Senator MOYNIHAN. We will be confronted with every conceivable argument as to why the national security state should be continued. Our distinguished colleague offers us an eloquent and insightful vision as to why it should not.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Review, June 28, 1990]

THE PEACE DIVIDEND

(By Daniel Patrick Moynihan)

There is much talk in Washington just now of the "peace dividend," the amount of money the Federal Government will not need for defense now that we can see the end of the cold war. As ever, it's not quite that simple. If we don't think this matter through, we could end up baffled and angry and missing a once-in-a-century chance to reshape our government.

A sizable amount of money is not going to be freed up, at least not for years to come. The painful fact is that at the end of the cold war we are saddled with a war debt. That cold war went on for forty years, say from the time the North Atlantic Treaty Organization was founded in 1949 to, let us say, 1989. Toward the end we lost control of our finances. In eight years during the 1980s we borrowed the equivalent of 85 percent of the debt incurred during World War II. Interest on that \$3 trillion sum rising to \$4 trillion is now a fifth of the budget and rising; soon it could be its largest single item. Interest now consumes all the income tax collected west of the Mississippi. Interest compounds. David Broder points out that according to the President's new budget, "with federal taxes pegged at 19.6 percent of the gross national product, Americans are paying more for the support of the national government than [they did in] all but three of the 45 years since World War II ended."

Two of these three years came in the 1980s.

Still, getting our finances in order will be the easy part. The hard part will be getting our government back in order.

The cold war changed us. We used to be pretty much what we started out to be: a republic which expected normally to be at peace. If we were more warlike than we pretended, we rarely prepared for war as if it were always imminent. (Even when it was. Back in 1941 there were pictures in the papers of young draftees running around on "maneuvers" brandishing broom sticks making do for rifles.)

With the cold war all this changed. We became a national security state, geared for war at all times. Instantaneous war. Tension to the breaking point. Was that a flight of arctic geese on the radar? Or Russian missiles? Seven and one half minutes to decide whether to launch our counter attack. Where was the President? Oh God, not in the shower. Get him out! I have heard presidents talk about this and wonder why none went over the edge.

Washington changed. In his wonderful new book, *Our Country*,¹ Michael Barone reminds us that right up until 1933, when the Twentieth Amendment was ratified, the president was elected in November, took office in March, and then Congress convened the following December! That's what the Founders provided: What's the hurry? Soon there was nothing but.

The totalitarian state had made its appearance in Europe; something wholly new. Totally mobilized for war, or else getting ready. After World War II came the protracted conflict we call the cold war just now coming to a close. I recently recalled the opening lines of Hannah Arendt's book *The Origins of Totalitarianism*, which appeared in 1950:

Two world wars in one generation, separated by an uninterrupted chain of local wars and revolutions, followed by no peace treaty for the vanquished and no respite for the victor, have ended in the anticipation of a third World War between the two remaining world powers. This moment of anticipation is like the calm that settles after all hopes have died.

That mode of anticipation, over at the Pentagon, at the Central Intelligence Agency, the National Security Agency, the Defense Intelligence Agency, the National Security Council, allowed no room for sunny dispositions. Each morning the first person to see the President would be the national security adviser. In his briefing book would be a set of "situation reports." Not infrequently, they would contain what came to be known as "threat analysis in worst possible case condition." No margin for error.

And yet error became a distinctive feature of the system. This is easy enough to explain. As everything became secret, it became ever more difficult to correct mistakes. Why? Because most of the people who might spot the mistakes were kept from knowing about them because the mistakes were classified. Of all the big mistakes, the biggest was our failure to spot the exhaustion of communism as a world force that had become unmistakable by the 1980s. The senior senator from New York, for one, tried to argue the case, as in this statement to the graduating class at New York University in 1984:

The truth is that the Soviet idea is spent. It commands some influence in the world; and fear. But it summons no loyalty. History

is moving away from it with astounding speed. I would not press the image, but it is as if the whole Marxist-Leninist ethos is hurtling off into a black hole in the universe.

Are there Marxist-Leninists here and about in the world? Yes: especially when the West allows communism to identify with nationalism. But in truth, when they do succeed, how well do they do? And for how long?

Nathan Glazer and I had for long contended that the persistence of ethnic attachments simply disproved the central organizing theory of Marxism, which was that such loyalties would disappear once the workers of the world got organized. In 1986 we wrote (for the Harper's *Dictionary of Modern Thought*) that "Ethnic conflict within the Soviet empire is likely to prove a major element in 21st-century world politics." Which, indeed, it will if the Soviet empire lasts that long! From Lithuania to Azerbaijan to Uzbekistan, the place is coming apart before us. A few weeks ago President Mikhail Gorbachev warned that recarving internal Soviet borders would lead to civil war and "such bloody carnage that we won't be able to crawl out of it."

It is not hard to understand why arguments such as these went unheard. Marxism is a dense, nineteenth-century Germanic philosophy. It is hard enough for the natives, you could say, and here we are definitely foreigners. When Václav Havel, the new president of Czechoslovakia, addressed a joint meeting of the Congress in February, he spoke of his "one great certainty: Consciousness precedes Being, and not the other way around, as the Marxists claim." This is a real issue to intellectuals such as Havel, an issue men and women have died for; they hold that beliefs create the "real" world and not vice versa. But you won't hear much talk of such matters in the White House mess. The real mystery, and the most telling revelation about the national security state is that we completely missed the collapse of the Soviet economy, a subject we are interested in and do talk about.

In that NYU address I argued further:

We should be less obsessed with the Soviets. If we must learn to live with military parity, let us keep all the more in mind that we have consolidated an overwhelming economic advantage. The twenty-four members of the Organization of Economic Cooperation and Development, known as the OECD—a quintessential initiative in world politics of the postwar United States—now produce 60 percent of the world's GNP. The Soviet bloc produces 19 percent.

We now know that by 1984 Soviet economists were in despair. They had a third world economy which was worsening. There was not enough food. Did we spot this? Nope. To the contrary, official Washington held that the Soviet bloc at this time was moving ahead of the West! The Directorate of Intelligence of the CIA publishes an annual *Handbook of Economic Statistics*. The 1989 edition reports that for the period 1981-1985 the average annual rate of growth in the "USSR" was 1.9 percent, well above the 1.5 percent of the "European Community." The 1989 edition of the *Statistical Abstract of the United States*, citing the CIA, reported that the GNP per capita of East Germany was greater than that of the West Germany.

Recently I met with a group of Soviet economists over here for a meeting on this subject sponsored by the American Enter-

prise Institute. They would appear to be the best of the lot, notably Grigori Ehanin of the Academy of Sciences in Novosibirsk, and Vladimir Tikhonov of the Academy of National Economics of the USSR Academy of Agricultural Science. They offered the view that the Soviet economy is, in fact, as small as one-seventh that of the US economy, that is about 14 percent of GNP, as against the CIA estimate of 52 percent. As it happens a Soviet economy of \$694 billion, rather than \$2,535 billion as the CIA now estimates, would place them seventh in the world, just behind Italy. This strikes me as too small. The Soviet economy is at least a quarter, possibly a third, the size of the United States. A large number because it is a big place. But in living standards it is at about the level of Mexico. The official view that they were approaching the level of Western Europe had our government all but panicked in the early 1980s. And there is \$2 trillion in debt to prove it!

This was the least of it. The national security state began to threaten the Constitution itself. From the time of the Vietnam War (itself the product of huge intelligence failure: We thought the Soviets and the Chinese were collaborating, when in fact they were almost at war with each other), the executive branch has been more and more tempted to use secrecy to avoid responsibility, even legality. The Iran-contra affair was only the latest such episode. On March 3, 1988, in the debate on the Intelligence Oversight Act of that year, I began by quoting an article by Theodore Draper in *The New York Review*:

If ever the constitutional democracy of the United States is overthrown, we now have a better idea of how this is likely to be done.²

Of the mining of Nicaraguan harbors, I said I had been "witness to the first acts of deception that gradually mutated into a policy of deceit." I was all the more struck, then, when a few weeks ago Independent Counsel Lawrence E. Walsh said he was concentrating on "the essence of the crime": "a pattern of deceit" at the highest levels of government.

Worse, we are poisoning the wells of our historical memory. Of late, the Soviet Union has been going through an extraordinary period of exhuming the worst crimes of its hideous history. There is almost a compulsiveness in the revelations of what Stalin really did: whom he killed, how many he killed. Even the origins of the Bolshevik regime—it did not overthrow the tsar, it overthrew a democratic provisional government—are now known, almost insisted upon. The United States has no such history. To the contrary. But not everything we have done in this century has been done in the open. Not everything could be. Or should have been. But of late we have become near to obsessed with concealing such facts. The secrecy system has gone loony.

I have just received a letter from the director of the National Coordinating Committee for the Promotion of History, a group of fine organizations ranging from the Society of Georgian Archivists to the Polish American Historical Society. Here are her opening paragraphs:

I am writing on behalf of the fifty historical and archival organizations that compose the National Coordinating Committee for the Promotion of History to express con-

¹ Free Press, 1990.

² Theodore Draper, "Reagan's Junta," *The New York Review* (January 29, 1987).

cern regarding the declining credibility of the Foreign Relations of the United States series. Since 1861, this highly respected documentary series, which in recent years has published volumes about thirty years after the events covered, has been a cornerstone of scholarly research and writing in American foreign relations.

In recent volumes, however, there has been an alarming increase in the proportion of documents withheld from publication owing to security concerns. In February Warren Cohen, a history professor at Michigan State University and the Chair of the U.S. Department of State Advisory Committee on Historical Diplomatic Documentation, resigned because he felt that he was unable to meet his obligation to insure the integrity of the historical record as published in the Foreign Relations of the United States. Cohen's specific concern was that the State Department no longer allowed the advisory committee members, all of whom have security clearances, to review omitted documents to assure that the deletions did not alter the accuracy of the historical account.

Moreover, in an article in *The New York Times* on the reasons for his resignation, Warren Cohen wrote as follows:

At least one volume [of Foreign Relations of the United States] published last year, "Iran, 1952-1954," was a fraud, a gross distortion of American activity. It says nothing about the CIA's role in overthrowing Prime Minister Mohammed Mossadegh and restoring the shah. Do we think we are hiding this from the Iranians?

Would you believe that much of this was foretold? It was: by Woodrow Wilson, that most tragically gifted of presidents. On September 5, 1919, in St. Louis, Wilson was campaigning across the nation on behalf of the League of Nations, then being debated in the Senate—we would reject it. It was, he said, a "covenant of arbitration and discussion" and law designed to enable the great powers to prevent one another from ever again going through the hell of war. Without the United States, such a league would never work. It may be that it would never have worked anyway, but listen to Woodrow Wilson on what would happen if our absence made certain it would fail:

We must be physically ready for anything to come. We must have a great standing army. We must see to it that every man in America is trained to arms. We must see to it that there are munitions and guns enough for an army; . . . that they are not only laid up in store, but that they are kept up to date, that they are ready to use tomorrow; that we are a nation in arms. . . .

He went on. No postwar reduction of taxes; an increase. A president who is, on a daily basis, and in an active sense, a military chief.

You have got to think of the President of the United States, not as the chief counselor of the Nation, elected for a little while, but as the man meant constantly and everyday to be the Commander in Chief of the Army and Navy of the United States, ready to order them to any part of the world where the threat of war is a menace to his own people.

And you can't do that under free debate. You can't do that under public counsel. Plans must be kept secret. Knowledge must be accumulated by a system which we have condemned, because we have called it a spying system. The more polite call it a system of intelligence. . . .

And you know what the effect of a military government is upon social questions.

You know how impossible it is to effect social reform if everybody must be under orders from the Government. You know how impossible it is, in short, to have a free nation if it is a military nation.

SECRETS

Something called, I'm sorry to say, the Information Security Oversight Office, located in the General Services Administration, has just reported that in 1989 the government created 6,796,501 new secrets. Half again the number of new babies. Is it not likely that the present system of classification actually calls attention to things we would closely hold? If an envelope is marked TOP SECRET—one of the lower classifications by the way—does that make a spy's work easier?

There must be some amateur mathematicians and cryptographers who will read this. Would anyone care to demonstrate that real secrets—I would judge there are maybe one hundred new ones every year—would be safer if not classified? I will insert selected replies in the Congressional Record. (Which incidentally is a good hiding place for secrets. Even the Russians are known to have despaired of deciphering it.)

Exaggerated, to be sure. Wilson was exhausted. Twenty days later he would collapse at Pueblo, Colorado, never to recover. But in this hour, his passion, he had a vision that was not all that wrong. The national security state consumes the presidency. It grows more and more insulated from the people despite what you see—are shown—on television. (The annual budget of the U.S. Secret Service under Wilson was \$21,220. That much was required to protect the president's person. The budget is now \$367,000,000.)

We can't go back, but as we go forward can we not try to keep in mind the distortions of "The Seventy Year Detour," as Mary Eberstadt in *The National Interest* has called the period from the establishment of the first totalitarian state in Russia, through the era of Nazism and Fascism, then the cold war, and now the demise of the Soviet empire? It is time now, she writes, to think again of the world Woodrow Wilson had hoped for, rather than going on mechanically following the routines of the world he feared.

In this sense there will be a "peace dividend," stated in dollars, and it should be sizable. Take NATO. More than half our defense budget still goes to the defense of Western Europe against invasion by forces of a Warsaw Pact which no longer exists. We have 635,000 American military personnel and dependents assigned to fourteen NATO countries. These Americans are coming home. Not all, but most. Should the twenty-fifth largest school district in the United States really be located in West Germany?

More important, the situation there is politically untenable. Our troops will soon have been on the Rhine for half a century; that is the stuff of Roman legions. Any Sunday morning now a German politician will go on television and announce that the Americans are not in his or her country to protect it but rather to occupy and control it. It does not take much imagination to figure out what follows. Wouldn't it be better to march out, all flags flying?

All this is going to be hard on the military-industrial complex, which President Eisenhower warned us against in his farewell address. Washington is just now filled with rear-guard actions. Typical headlines: **NUCLEAR ARMS STILL NEEDED IN**

EUROPE, PENTAGON SAYS. SOVIET SPYING ON THE INCREASE, FBI CHIEF SAYS. And yet, there are voices of calm and even celebration. I especially enjoyed a news story of a visit home by General John R. Galvin, Supreme Allied Commander of the NATO forces in Europe. A fine officer, he is convinced that we must develop a new short-range nuclear missile for use in Europe, even though it is clear our allies won't let us deploy it. He grants that his argument is a bit shaky, and recounts a meeting with General Colin L. Powell, the chairman of the Joint Chiefs of Staff. Galvin reports that when he began his glum argument, General Powell said, "Jack, smile. We won."

And that is the point. We won! There will be plenty of troubles ahead. Plenty of horror and pain. But the age of totalitarianism is over. The Soviet claim to be the next stage in history is over. How do we now demobilize? How do we move from a national security state to a government that merely asks what are our interests abroad and our needs at home, and calmly and openly pursues them? What a wonderful challenge!

NATIONAL AFFORDABLE HOUSING ACT

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The Chair recognizes the Senator from Ohio [Mr. METZENBAUM].

Mr. METZENBAUM. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is Senate bill 566.

Mr. METZENBAUM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the pending amendments will be set aside. Is there objection?

Mr. D'AMATO. I object.

AMENDMENT NO. 2042 TO AMENDMENT NO. 2041

The PRESIDING OFFICER. The pending amendment is amendment No. 2042, introduced by the Senator from New York.

Mr. D'AMATO. Mr. President, this Senator has again laid aside his amendment. I know we are attempting to meet with the administration, I believe we are going to be doing that at 11:15, from what I understand.

If I am not mistaken, the Senator's amendment would deal with a matter we have not had an opportunity to clear on both sides. If we can clear it on both sides, fine, I have no objection. I have not heard that, nor as of last evening was I aware of the fact that the ranking member of the Banking Committee has signed off on it.

Any Member has the right to submit any amendment he or she wants. We are going to come back, undoubtedly, to this bill Tuesday. It would seem to me if the bill is going to move, why then the distinguished Senator from Ohio certainly should go ahead. But I have been asked not to pursue my amendment. So I request the same

consideration—as it relates to those amendments that are going to bog us down and make it impossible for us to move ahead or require that kind of lengthy debate, that may be controversial—that has been asked of me.

If this Senator has been willing to lay those aside so we can deal with matters that are not controversial or those matters which are germane on the bill, I request the same consideration of my colleagues.

I have been willing to do this. I laid my FHA amendment down. Now it is closing in on 48 hours, 2 days. I have not objected very many times, very often. I want to assure my colleague from Ohio if we get clearance from the Banking Committee to move to this, I will withdraw my objection. But there has been an issue raised as to taking this up at this time and it would undoubtedly require a vote.

I do not believe anybody really is ready to vote. There are a lot of Members on both sides who have already left.

So I do not mean to be an impediment nor to deprive a colleague, and no one ever deprives the illustrious Senator from Ohio from doing that which he wants. I hope he understands that. This is not to be an impediment to my friend and colleague, and if Tuesday we return to this bill and both Democrats and Republicans on the Banking Committee say, "Senator, let it up and let us vote one way or the other," I have no objections to that, and I will not raise an objection.

I will say to my colleague, I will tell Members on both sides they are going to have to raise an objection and argue the merits one way or the other and decide what they want to do. I am not going to carry their spear into battle as it relates to the merits of this bill. I want my colleagues to know that.

THE PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I appreciate the explanation given by the manager of the bill on the minority side. I think what he is saying is he personally does not feel he has a particular interest in this amendment. This is not something he is carrying a ball on. It is a question of what the members of the Banking Committee feel on that side.

We know what Members on this side have indicated and the chairman has indicated that he supports the amendment. The manager of the bill has indicated he supports the amendment. As a matter of fact, I think that I ought to take a moment to discuss where we are on some negotiations that have occurred.

What happened was that the minority leader had indicated that he had some concerns with respect to small banks. We have provided an exception for small banks that have less than \$25 million in assets. We change it in

several respects. This amendment does not include the title regarding basic banking accounts. Some of my colleagues and I think the Senator from Kentucky had indicated that he was more favorably inclined toward the check cashing aspect of the bill than he was to the question of the basic banking account. So we have eliminated that from this amendment.

I disagree about eliminating it, but for the time being I agreed to drop that matter until this amendment could be considered on its merits without the two being combined. As a matter of fact, I had indicated yesterday that I was prepared to separate the amendment. Rather than doing that at the moment, I am merely offering the first half of the amendment dealing with check cashing.

Second, I address the concerns that were raised, as I mentioned before, by Senator DOLE as far as the small banks are concerned. The list I have in front of me indicates that with our amendment, for example, in the State of the Senator from Kansas, there are 613 banks; 345 of them would be eliminated by reason of this particular amendment. Other States have differing figures depending upon size. In North Dakota, about half of the banks would be eliminated. In New York, a smaller percentage of the banks would be eliminated.

The third change I have made is that I have now included language to exempt banks and savings and loans that are currently cashing Government checks and charging no more than \$2 per check. The argument was made that the paperwork that would be required for banks that are already doing this was surplussage. There was no reason for doing it. I thought it was persuasive.

I am not here on the Senate floor to add burdens to the business community or any other segment of our economy. As long as the checks have been cashed and are being cashed on that basis for a period of 12 months—I am told that we did not even put the 12-month period in. We just said that it was upon the effective date cashing checks the charge is less than \$2, then they would not be required to make the necessary determination as to their actual cost.

Make no mistake about it, this still is a very important amendment. It still is an amendment that literally millions of senior citizens would like to see become a part of the law. It still is an amendment that many veterans would like to see become a part of the law. It still is an amendment that many who are on welfare would like to see become part of the law.

What we are trying to do is to keep those people who have Social Security checks or Veterans' Administration checks or Government-issued welfare checks, or railroad retirement checks,

not require them to go to some check-cashing business and pay, as one Senator came to me on the floor yesterday and said, why they charge them \$20, \$25, and \$30 to cash a check; that is unbelievable. Indeed, it is. All we are trying to do is to get the banks to perform a service which they do regularly. No risk. We have no problem as far as their being provided for concerning fraud and and costs they might incur.

It really is something that should be done. The need is there and the data is there to support this amendment.

A survey by the Association of Community Organizations for Reform Now found only 12 percent of the 344 financial institutions they surveyed cashed Government checks for nondepositors. A study by Consumer Federal of America found less than 30 percent of the banks cashing Government checks for noncustomers. AARP did a survey of major metropolitan areas and found that 9 out of 10 banks refused to cash such checks.

I am ready to vote on this amendment. My distinguished colleague from New York yesterday said that he was ready to vote on it and ready to move to it. I was under the impression that we still were in that posture this morning. I gather he feels that he wants to await further word from other members of the Banking Committee, and I understand that. But let it be clear that I am prepared to have a vote.

If we have the votes, it will be agreed to and if we do not, those who vote against us will have to have their day of reckoning with their political supporters and explain to them why they are unwilling to give the senior citizens and veterans, railroad retirees and welfare recipients an opportunity to cash their checks without having to go to some high-price check-cashing establishment.

I will return with this amendment at a subsequent point. My door remains open to the bankers who have been absolutely uniform. I have never seen a group that has marched so uniformly together away from my office. They have been unwilling to come in to negotiate together. Like good soldiers across the country, they have stayed away. The door is open to them. The Senator believes that the legislative process works best when parties who have an interest work together. In this instance, they have been unwilling to work together.

So we have worked with some Members of this body who have expressed their concerns about this amendment. We have moved in the direction of trying to make it even more reasonable than it was at the conception. It is far more reasonable, far more limited than it was when it passed the Senate on two previous occasions. I can only say to my colleagues that the day

cannot be too far distant when the Senator from Ohio will have an opportunity to add this amendment to this bill or some other bill, whatever the case may be.

Whatever the case may be, we will find an opportunity to give the Members of this body a chance to vote up or down on this issue.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. CRANSTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from California has suggested the absence of a quorum. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HARKIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Iowa is recognized.

Mr. HARKIN. I thank the Chair.

(The remarks of Mr. HARKIN pertaining to the introduction of S. 2776 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

NATIONAL AFFORDABLE HOUSING ACT

The Senate continued with the consideration of the bill.

Mr. D'AMATO addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. D'AMATO. Mr. President, in a short time we are supposedly going to be meeting with Secretary Kemp and OMB for the purpose of attempting to work out some of the points of contention. Let me, if I might, touch on several of them.

One question is, in that part of the bill called HOP [Housing Opportunity Partnership] whether or not the administration will concede the point that construction and rehabilitation should be permitted. The administration has taken the basically philosophical position that new construction initiatives should not be undertaken, that it is already sufficient, and that through vouchers and rental assistance more can be accomplished. To be maybe somewhat more simplistic, "more bang for the buck." That may or may not be the case. I suggest in certain areas that probably is not a program that makes much sense.

Let me say that the inner core cities, in the city of New York, for example, to say we could not have rehabilitation and additional funds applied to that, and to say we could not have any new construction I think would be a disservice.

There is much in the way of housing that could be rehabilitated, and to say no does not make sense.

Mr. CRANSTON. Will the Senator yield for a question on a related matter?

Mr. D'AMATO. Certainly.

Mr. CRANSTON. Senators have been asking me whether PHIL GRAMM is likely to offer his amendment today or not. Does the Senator know whether he will or not?

Mr. D'AMATO. I have been given to believe Senator GRAMM will be proposing his amendment, and expect him to do so at any time, yes.

Mr. CRANSTON. I appreciate the response. I thank the Senator.

Mr. D'AMATO. I will ask also if we could get an indication as to what time the Senator might go forward on that.

Mr. President, I do not think that that is an acceptable position, that there should be no new construction under any circumstances. It seems to me that there are some areas where there is no available housing, rental units; to say we are going to use vouchers or certificates in these regions is going to literally say that we are not going to meet housing needs in some of the most desperate areas.

Second, there is a point of contention that comes from the Senate side that says that there should be no rental assistance, no new rental assistance under the HOP Program. I think that that is equally fallacious, because what you are saying, for example, in areas where there are occupancy or vacancy rates of 17, 18, 19, 20 percent, where landlords would gladly be able to make available facilities at rates which are traditionally below the existing market rates, because there was a glut of housing in these areas, that the Government should go out and build housing; that the local government should not have the ability to utilize vacant apartments by way of the Voucher Program. That does not make sense.

We are attempting to reconcile these two points, Mr. President, and if we fail to do that, it just seems to me that the efforts we have put into this bill are going to be for naught. If both sides cling to those positions, we will not have a housing bill.

There is a third element I have introduced and which is pending, which is FHA reform. Mr. President, we need to reform the FHA Program, and I do not suggest that the reform package which this Senator has introduced is going to meet all the needs. Indeed, I suspect with the market collapsing, with the credit crunch going on, that it may take an infusion of taxpayers' dollars. I can say this with a certainty: Every day that we continue the program running as is, is adding a burden to the taxpayers.

Yesterday, more than 3,000 mortgages were made, and those mortgages

probably cost the taxpayers about \$3 million. We are chalking up to the taxpayers about \$3 million a day. In 300 business days, we are talking close to \$1 billion a year we are adding to the burden of taxpayers.

Mr. President, that does not make sense, so we have to change those policies. It may be some tough medicine and, indeed, some of our friends and some people whom we represent and whose interests are important and should be represented, may not be totally sympathetic with the fact that we make credit a little tougher. But it does not make sense to have a person purchase a home and know that that person with a surety—as the statistics indicate, 1 out of 5—actually it is less than that, probably closer to 1 out of 4—those mortgages being made are going to go into default. It does not make sense. We have to deal with it.

I suggest that the legislation that this Senator has proposed does not go far enough. But I understand the art of compromise. When people say to me that you are making it an onerous burden to request somebody to put 5 percent down on a mortgage, and you are going to allow them still to finance the mortgage insurance, and that we are talking about them having an equity of maybe 97 percent in the mortgage, and that somehow when they really have an equity of 3 percent in the project, in the home that they are purchasing, that that is inordinate, wrong, then I have to say, where do you do better?

They say on the other side, if you do this, people will go to private insurance, private financing. I would like to know what bank is making mortgages on less than 5 percent. When they say the very poor, and in rural areas where housing is low cost, this is too much, we still provide a 3-percent mortgage—3 percent. That is 3 percent down on that mortgage, for up to \$50,000. My gosh, I have heard this explained as draconian, as self-defeating, turning our backs on the poor. It is none of these.

Again, I am going to suggest that this Senator is not saying that the reforms that we have suggested are going to cure the ills. What they will do, though, is diminish the losses that we are incurring from this point on. It may even eliminate those losses. I do not know if it can eliminate those which are already on the books, those which we have booked.

Certainly, we should not continue to book more junk. That is what is happening. It is just like the junk bond collapse; a lot of people got hurt. In this case, it is not the investors; in this case, it is the taxpayers. So we have another debacle on our hands.

Mr. President, we have to resolve that. I say that this Senator will not be willing to compromise, if it means

that we are not going to begin to tighten up in this area as it relates to our lending practices.

Mr. President, I see my good friend, the distinguished Senator from Massachusetts. I can continue, but I will yield the floor.

Mr. KERRY. Mr. President, I thank the distinguished Senator from New York. What is the pending business, Mr. President?

The PRESIDING OFFICER. The pending business is amendment No. 2042, offered by the Senator from New York.

Mr. KERRY. Mr. President, I ask unanimous consent that that amendment be temporarily set aside so that I may ask for immediate consideration of an amendment.

The PRESIDING OFFICER. Is there objection?

Hearing none, it is so ordered.

AMENDMENT NO. 2064

(Purpose: To study the feasibility of establishing an enterprise zone development corps and to study the feasibility of providing incentives for companies to invest in areas with high incidence of drug use and drug related crime)

Mr. KERRY. Mr. President, I send an amendment to the desk, in keeping with the unanimous-consent agreement, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Massachusetts [Mr. KERRY] proposes an amendment numbered 2064.

Mr. KERRY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place insert the following:

SEC. . Study on Enterprise Zones Development Corps. Within ninety days from the date of enactment of this act, the Secretary of Housing and Urban Development shall conduct a study and report to the Senate Committee on Banking, Housing, and Urban Affairs, on the feasibility of establishing a national volunteer corps made up of representatives from the business and labor communities who would provide management expertise or technical assistance to businesses or nonprofit organizations located in designated enterprise zones.

SEC. . Study on Turning Drug Zones into Opportunity Zones. Within ninety days from the date of enactment of this act, the Secretary of Housing and Urban Development shall conduct a study and report to the Senate Committee on Banking, Housing, and Urban Affairs, on ways in which areas ravaged by drug trade, drug related crime and drug abuse may be made more attractive as investment locations for companies, including the provision of special incentives to encourage companies to invest in these areas, in order to provide economic opportunity within communities to the residents of these communities. This study shall include recommendations on how

areas that would qualify for benefit as an enterprise zone demonstrating that the community suffered from acute drug use and related crime.

Mr. KERRY. This amendment has been reviewed by both distinguished managers of the bill, and it is my understanding that it is acceptable to both sides.

This amendment calls upon the Secretary of Housing and Urban Development to conduct what I believe are two very important studies. Both of these are to be performed within 90 days of enactment of the legislation. The first such study would examine ways in which we can turn what are currently drug zones into opportunity zones. The second study would examine the feasibility of establishing an enterprise zone development corps. Let me explain both of these studies and why they are important in the context of the housing bill.

The current crisis of our national drug epidemic is well known to everyone here. There has been a great deal of effort to try to deal with it. Drugs are ripping apart our communities. There is not a community in any of our States that has not been somehow affected by its impact. Many would say we are in the process of losing a large proportion of an entire generation to the problem of drugs.

We do not even have to look very far to see how far-reaching this problem is, as only a few blocks down the street a major trial is taking place, on which the eyes of the Nation are focused.

So we understand the impact on our society. But tragically the very purpose of the bill that we are considering here today, providing a decent living place for people in a suitable environment is thwarted by the drug epidemic and by the violence that surrounds it.

Our public and federally assisted housing, places where decent people are attempting to lead productive lives and raise their children in order to become productive and contributing members of society are literally overrun by drugs. Housing units that ought to be used to shelter the homeless and less fortunate are used instead as crack houses, as drug shooting galleries, and as drug distribution sites.

Obviously, that is not the environment in which we want any child to be brought up, or any person to have to live. It is not right that we provide affordable housing on the one hand, but say to the people on the other hand, you have a place to live but you are going to have to share it with drug dealers, crack dealers, pushers, and so forth.

What my provision seeks to do is to lay the groundwork to put into place a response to this reality. This bill provides resources to help residents combat drugs. We have already put that into the bill and I think it is an

important contribution. But what we are trying to do is say that people in public assisted housing have a right to have important elements that contribute to their security, simple things like tenant security patrols, improved lighting for entryways that are dark and dangerous, fences, and increased law enforcement presence. These are the kind of things that the Drug Elimination Act are going to help achieve.

But addressing the physical living environment is only part of the solution. It seems to me that the most glaring deficiency in everything we have done with respect to drugs, and indeed everything we have tried to do in recent years with respect to the cities, is that we have ignored the reality of trying to transfer economic power to people who today have very little opportunity and very little hope.

One of the most glaring deficiencies in the current drug strategy is the failure to identify and to respond to the economic conditions that are so conducive to the rapid growth of drug abuse and drug crime. It seems to me unless we come to grips with this missing link we are really only touching the surface of the problem.

Mr. President, I recently introduced legislation that would provide automatic enterprise zone eligibility for areas that are designated as high intensity drug areas by the Director of the national drug control policy. The rationale for that legislation and for the study authorized by this amendment is straightforward. The designation of an area as a high intensity drug area is a clear indication of the magnitude of need within that community. It follows that an area that is faced with that degree of need, both economic and social, shall be immediately eligible for the opportunities provided by the enterprise zones.

There is not one who does not understand that correlation, not one of us who has not traveled in the inner cities and seen the crack areas, and areas of highest drug use and understood immediately they are the poorest areas with the least amount of job opportunity and the worst housing. We knew we had to have encouragement in these communities and needed to do it in a wholesale way and turn these areas from drug zones into opportunity zones.

My amendment asks the Secretary of HUD to build on the concept of enterprise zones and to provide recommendations on ways that designated enterprise zones suffering from acute drug use and related crime can find additional benefits to meet their needs. Enterprise zones are designed to encourage business investment in economically distressed areas in the expectation that this will lead to job growth and economic development. It

seems to me that our drug infested areas present us with that very special challenge.

The second study asks the Secretary to examine the feasibility of establishing a National Volunteer Corps, Enterprise Zone Development Corps, if you will, and that would be made up of representatives from the business and labor community, presidents of companies, others who are currently in the business world, labor leaders. This corps would lend their management expertise and their labor skills to provide technical assistance to businesses and nonprofit organizations who are located specifically within the enterprise zones.

This corps of talented and experienced business entrepreneurs and corporate executives and labor leaders could be on loan to the enterprise zones for a year at a time through the proposals which I have asked the Secretary to study.

During a Small Business Committee hearing last year I had the opportunity to discuss these ideas with Secretary Kemp. He was excited and interested about them, and I believe that we have indications of our ability to be able to work closely and to hopefully make this program a reality.

I thank the managers of the bill for accepting this amendment and for helping us to move forward to acquire information that will allow us to put this program in place and to make it work.

I yield the floor.

The PRESIDING OFFICER (Mr. WIRTH). The Senator from New York.

Mr. D'AMATO. Mr. President, we on this side support the bill. As a matter of fact I applaud the Senator from Massachusetts [Mr. KERRY], who has not only persisted in constant battles to deal with the epidemic of drugs but he has been insistent as to the problems of money laundering. He has certainly made a major contribution as it relates to this amendment.

I applaud the amendment offered by the Senator from Massachusetts because corporations and citizens who have experience and expertise should be encouraged to share their knowledge with the people who desperately need and want to reclaim parts of their cities that have been infested and have been held hostage by the ravages of drugs and drug dealers who make people prisoners in their own home, who take away the sanctity of domestic tranquility.

The Senator's statement calls for a study to site areas of the country that are drug ridden as enterprise zones, and to encourage cities, the private sector, and businesses to come back and reclaim these areas. Indeed, unless we can, then the domestic tranquility that has been promised to our people that has disappeared will continue to dissipate, we will lose that in other re-

gions as well and what we will have is no-man zones where people leave, and we see it taking place.

I see it tragically in areas of New York. I believe that is a phenomenon that is not going to be confined just in New York but all too often we see taking place in many of our inner core cities.

So I commend the Senator and we support the amendment. Not only do we have no opposition but we enthusiastically support it.

The PRESIDING OFFICER. Is there further discussion of the amendment? The question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment (No. 2064) was agreed to.

Mr. KERRY. Mr. President, I move to reconsider the vote.

Mr. D'AMATO. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. Mr. President, I thank the distinguished Senator from New York. He and I indeed have worked closely on the drug issue for a considerable number of years now. I applaud his leadership on that issue and thank him for his gracious comments.

CHAFEE AMENDMENT NO. 2057 CONCERNING DAVIS-BACON

Mr. KOHL. Mr. President, yesterday, we considered an amendment to S. 566, the National Affordable Housing Act, offered by our colleague from Rhode Island, Mr. CHAFEE, which would reform the Davis-Bacon Act. I would like to take this opportunity to explain my vote of opposition to that particular amendment.

Like the Senator from Rhode Island, I believe it is time to reform the Davis-Bacon Act. As a former businessman, I share the interests of those who believe Davis-Bacon needs to be modified to satisfy the needs of the building and construction industry as a whole. Davis-Bacon has guaranteed a decent standard of living for American workers for over 51 years. And legislative changes are needed to reflect the changes that have occurred in both the labor and business communities during that time. No industry or work force can compete economically and more efficiently, when outdated public policy constrains it.

However, I believe it would be premature to make substantial reforms without full and thorough consideration of all of the issues involved. We will soon have more reliable data through the Department of Labor's employment and training study on the effect of the Davis-Bacon Act on the construction industry. And while I agree with the proponents of this amendment that we should maximize our purchasing power with Federal

housing dollars, those decisions are best made after consideration of all available information. We can best save Federal dollars by avoiding hasty, unqualified decisions.

I do not know whether arguments that the Davis-Bacon Act increases construction costs are valid. I do know that real estate and capital expenses are significant contributing factors, and that they are difficult to control. And I also know that we will not control the costs of housing by abandoning our commitment to the rights of workers. Nor can we blame our lack of adequate low-income housing on American workers. We have experienced major cutbacks in housing programs and management of those programs has been anything but stellar. That is not the fault of the laborers, carpenters, plumbers, steamfitters, electricians, and other hard-working individuals on construction projects in Wisconsin. In addition, I believe that in light of the much awaited changes being made by Secretary of Housing and Urban Development Jack Kemp, which I commend him for, we are not allowing enough time to digest managerial changes designed to correct past inefficiencies with respect to public housing.

The Chafee amendment made sweeping reforms in the Davis-Bacon Act, without addressing the real needs for low-income housing. The amendment proposes to create 5,000 additional public housing units over the next 5 years—on the backs of American workers.

I agree on two counts: We need to increase the availability of low-income housing and we need to reform Davis-Bacon. The amendment offered by our colleagues does not guarantee the former, and does not address the latter in a responsible way.

I will consider any legislation that makes constructive changes in the Davis-Bacon Act. And such legislation is pending before the House of Representatives.

I cannot support amendments such as this that gut Davis-Bacon. By lifting the threshold from \$2,000 to \$1,000,000 this amendment exempts the vast majority of HUD contracts from prevailing wage requirements and therein destabilizes local labor markets.

It is time to make necessary changes to the Davis-Bacon Act. But the Chafee amendment was too comprehensive in its attempt to reform without additional analysis on this act's modern-day needs.

I thank the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. D'AMATO. Mr. President if no one else is going to proceed on the housing bill at this time I ask unani-

mous consent that I might proceed as if in morning business for 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator is recognized for 5 minutes as if in morning business.

LITHUANIA

Mr. D'AMATO. Mr. President, we recently heard some encouraging news, news of Soviet supposed willingness to compromise with Lithuania. While I welcome these encouraging words, I question whether these works have been matched by the appropriate deeds.

Recently President Landsbergis took advantage of what he perceived to be a more relaxed position by Mr. Gorbachev to invite me to visit Lithuania and speak to the Parliament, and do so on July 4. Obviously symbolic not only to this Nation, but July 4 has become known as not only the day in which the United States celebrates its Declaration of Independence but particularly to those nations today who seek freedom, who seek independence, it is a day that they are aware of.

Mr. President, I ask unanimous consent that the letter which President Landsbergis sent to me be printed in the RECORD. It is dated June 18, 1990. It basically requests my presence on July 4 in Vilnius to partake in a session of the Supreme Council.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE SUPREME COUNCIL OF THE REPUBLIC OF LITHUANIA,

Vilnius, Lithuania, June 18, 1990.

Senator ALFONSE D'AMATO,
U.S. Senate, Washington, DC.

DEAR SENATOR D'AMATO: On behalf of the Supreme Council of the Republic of Lithuania I cordially request your presence on 4 July 1990 in Vilnius to take part in a session of the Supreme Council.

Sincerely,

VYTAUTAS LANDSBERGIS,
President.

Mr. D'AMATO. Mr. President, after having received this communication, I contacted our State Department. I informed President Landsbergis that I would certainly be willing to be there to visit, and I asked our State Department if they would not intercede. I find it unusual that a United States Senator would have to ask the State Department to intercede with the Soviets, but I did so recognizing the last time we applied we were told that we would not be given a visa. When I say "we," I mean Senator MURKOWSKI and myself.

Unfortunately, the Soviets, while seeming to be willing to allow a little more gas into Lithuania, are not nearly as anxious to allow others to come to visit. The Soviets informed the State Department that they would not issue a visa.

Mr. President, what are the Soviets afraid of? Why will they not let people from the outside in to see what is taking place in Lithuania? How can we believe their assertions that they are compromising on Lithuania, that they are ready to suspend the embargo when even the most basic contacts with the outside world are being denied?

I have read that the administration is pressuring the Lithuanians to agree to take the Soviet's word that if they back off on their independence—imagine people coming to us, after we had gone to our Declaration of Independence on July 4, and saying, "You should now suspend your declaration. You are not independent. You should not be free."

That concerns me. That concerns me that we are putting pressure on the Lithuanians. I think pressure again should be exerted on the Soviets to lift their economic embargo to allow people to travel freely in and out of Lithuania. I think it is about time that the Soviets lifted that embargo and negotiated in good faith.

They are not, Mr. President. They have allowed slightly more gas in, slightly more gas. The situation is still a desperate one. And they will not allow observers from the outside world. If actions such as these, Mr. President, persist, they certainly cast doubt on the willingness of the Soviets to match their rhetoric with deeds.

This Senator does not intend to let this just disappear because the Soviets issue press releases, because the media picks it up and says, "Isn't this nice? They are going to relax on the people of Lithuania." They have not lifted their embargo. They have not relaxed their economic aggression and they are not bargaining in the kind of good faith that I think people thought they would.

Mr. President, I yield the floor.

Mr. LIEBERMAN. Mr. President, I ask unanimous consent that I be allowed to proceed as if in morning business for 5 minutes.

The PRESIDING OFFICER. Is there objection? The Senator is recognized for 5 minutes.

CABLE TELEVISION MONOPOLISTS

Mr. LIEBERMAN. Mr. President, today actually marks the 100th anniversary of the passage of the Sherman Antitrust Act. It is coincidental because it is in the spirit of free enterprise and competition that I want to comment today on the fact that legislation to bring what I call the cable television monopolists under control is now moving through both Houses of Congress.

Last year, together with my colleague and friend from Connecticut, Congressman CHRIS SHAYS, I intro-

duced the Cable Consumer Protection Act of 1989 which would curb cable's monopoly power by allowing States and local franchise authorities once again to regulate cable rates.

Mr. President, this is an effort that I began in my previous life as attorney general of the State of Connecticut, outraged when the Cable Communication Act of 1984 resulted in the nullification of the States' power to do what it had been doing, which is to regulate the price of cable service to consumers.

I am, therefore, pleased that the Commerce Committee has reported a cable reregulation bill for consideration by the full Senate. I thank Senator HOLLINGS, Senator INOUYE, Senator DANFORTH, and other members of the Commerce Committee for the hard work and study they have put into this issue and for the fact that they have reported out a bill.

The Commerce Committee bill promotes competition for cable operators and carries the promise of a choice for consumers at some time in the future. I am concerned, however, that the bill does not do enough; that the bill will leave consumers essentially unprotected from cable monopolists wherever true competition does not develop. I know that my friend from Connecticut, Congressman SHAYS, shares these concerns.

Mr. President, since the deregulation of cable rates resulted from the act of 1984, the cable monopolists have repeatedly taken far too much money from the American public. A GAO report that was released just last week indicated that since cable rates were deregulated in 1986, the average American subscriber's monthly rate for the lowest price basic cable service has gone up by a whopping 43 percent. Even last year, when cable may have been on its best behavior, one might think, because of the threat of congressional reregulation, cable continued to hike the average subscriber's cable bill for basic service by 10 percent—and that was twice the rate of inflation last year.

Mr. President, this newest GAO study confirms what common sense suggests—that in the absence of effective competition, in the absence of effective regulation, there is no one to protect consumers, and that cable rates must be reregulated. We simply cannot depend on the cable companies benevolence to moderate prices. That runs against human nature. Nor will the vague threat of some future competition from the telephone companies or from satellite services, hold down cable rates.

The Commerce Committee bill, Mr. President, creates three classes of cable service and regulates each one of them differently. Services that are offered on a per channel basis or the

typical premium channels that we are familiar with, such as the movie channel, or HBO, or the pay-per-view services such as the special sporting events, are going to be unregulated under this bill, and I can understand that.

The basic service tier, which is the tier that contains what are called retransmitted local broadcast stations, will be regulated by the FCC or by the States and localities if they choose to do so and rates for those services must be reasonable. For all other services, the cable companies can charge pretty much what they wish so long as their rates are not significantly excessive.

My concern with that system is that while it may protect the small minority of viewers who rely on cable to transmit otherwise inaccessible local broadcast signals, it leaves the American public basically unprotected from large price increases for the most popular cable programming.

Basically, it will regulate the offering of local channels over the cable which most of us can get free of charge by just having an antenna. And it does not regulate with any real meaning the price of the cable services that most of us buy cable for.

The unprecedented standard of significantly excessive is, in my opinion, an open invitation for the gouging of the American consumer. This standard gives cable operators permission to charge rates for their most popular services that are quite literally unreasonable and excessive so long as they are not significantly excessive. That to me, is really no standard of protection for the consumer at all.

Once again, the cable companies can charge rates that are acknowledged to be excessive, perhaps even very excessive so long as they are not significantly excessive. Why should cable be able to do that, if we really believe in regulation? I must say that is a little bit like telling a thief he can commit larceny but not grand larceny.

Many Americans do not need cable in order to receive those local broadcast signals that will be regulated most seriously under this bill. Most consumers subscribe to cable because it allows them to receive programs other than what they can get with an antenna on over-the-air television. In those areas, cable wields monopoly power because it is really the only provider of multichannel video programming other than the local broadcast stations. Those consumers, who undoubtedly constitute a large portion of cable subscribers, also deserve to be protected from unreasonable and excessive rate increases by a monopolist who faces no effective competition.

So, Mr. President, I am concerned that the commerce bill offers the hope of regulation but not the reality of regulation, and that is not enough.

I am also concerned that the Commerce Committee bill will strip States and local governments of a very important power, and that is the power to regulate cable companies' service to the customers; that is, the power to regulate the quality of customer service. I do not think there is any issue that is more local and less appropriate for nationwide regulation by the FCC than standards for customer service.

Incidentally, over the years the quality of cable service has been one of the greatest sources for agitation among consumers in Connecticut. Cable service has improved, at least in Connecticut, but certainly the consumer ought to be protected by local regulation from inadequate service.

I have no problem with the FCC setting minimum standards for cable companies' customer service obligations. Indeed I think they should set such standards, but the committee bill will preempt any future State and local laws concerning customer service and I think that goes too far.

When cable legislation reaches the Senate floor I intend to push for stronger rate regulation provisions and for provisions that would continue to allow State and local governments to regulate cable companies' customer service, that really will protect American consumers in this vital area to them, which is cable. We have come to depend on cable. A lot of people, particularly the elderly, really depend on cable for information, for entertainment. They deserve more protection, ultimately, than this bill offers.

I believe these changes I have discussed are really necessary to provide consumers with real protection from abuse by cable monopolists, until that day when there is genuine competition, and that is some time away.

Mr. President, I yield the floor.

I suggest the absence of a quorum.

THE PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

THE PRESIDING OFFICER. Without objection, it is so ordered.

THE FLAG AMENDMENT

Mr. DOLE. Mr. President, with yesterday's flag amendment vote, the House of Representatives has turned its back on the Constitution, on the flag, and, worst of all, on the American people.

The House has said "no" to the American Legion. It has said "no" to the Veterans of Foreign Wars. It has said "no" to the Paralyzed Veterans of America. It has said "no" to a young man named Gary Freeman, who collected more than 3,000 petition signa-

tures in support of an amendment—all in downtown Hutchinson, KS.

And the House—the so-called people's body, has said "no" to the millions of concerned Americans who believe that Old Glory deserves one type of protection only—and that is constitutional protection.

So yes, the flag amendment did fail in the House yesterday, but—despite itself—the House has succeeded in amending the Constitution.

The first three words in the Constitution's preamble are no longer "We the People." They are now, sadly, We the Congress.

With a reelection rate of more than 98 percent, with many incumbents running unopposed, it is no surprise that House Members think they can get away with snubbing the voters of this country.

Let us face it: In today's Washington, public accountability is out. Beltway arrogance is in.

Mr. President, during the past several months, we have heard a lot of fancy legal words which confuse most people, but which put big dollars in the pockets of the legal establishment.

We have heard words like "content-neutrality," "symbolic speech," and "communicative impact."

These words may define the debate for the American Bar Association, or the American Trial Lawyers Association, or all the ivory-tower law professors who somehow find the meaning of life in the footnotes of legal briefs.

But these words do not square with the wisdom of the American people who see no contradiction whatsoever between our cherished first amendment freedoms and a law prohibiting the desecration of our Nation's most revered symbol, our flag.

The American people know that flag desecration is wrong. They know that Old Glory deserves protection. And they know that passing a constitutional amendment is the only right thing to do.

Mr. President, the Senate will have a vote on the flag amendment next week. According to my tally, the vote will be close. We are probably going to lose, but I think the vote will be close.

But, as I see it, the choice for us in the Senate is crystal clear: We can either follow the House's lead and embrace the Beltway know-it-alls or we can embrace the will of the American people—the hardworking taxpayers and voters of this country—who want to give Old Glory the constitutional protection she so much deserves.

Mr. President, next week, the choice will be ours.

Mr. President, as far as I am concerned, this is a serious issue. It is not a trivial issue. No one is trying to trivialize the Constitution. Those of us who support the flag have been classed as demagogues. I always thought

the flag was important, important enough to fight for, important enough to lose your life for, important enough to spend years in a hospital for—fighting for your flag, fighting for your country.

Some veterans have different ideas. Some are opposed to the amendment. Some are for the amendment. I do not question anyone's motive, but I hope we still have a right in America to stand up for the flag without being classed by some liberal reporters as a demagog or someone who is out of step with the American people.

If we lose touch with basic values, what we considered to be basic values as we grew up in our small towns or communities or wherever, then in my view we are down the slippery slope and there will be no return.

So I hope that those on both sides of the issue will take a hard look at it over the weekend. It is an easy vote for me. I say again we are not tinkering with the Bill of Rights. Everybody is wrapping themselves not in the flag but in the Bill of Rights. They are saying we are going to amend the first amendment. In my view it is conduct. When you set a match to a flag, that is conduct, not speech. When you burn the flag, that is conduct, not speech. And so I hope we will take a hard look at what we do.

I think probably the whole sham yesterday in the House was that, as soon as they defeated the constitutional amendment, they brought up this phony statute to let everybody off the hook. All the liberals who had voted against the constitutional amendment then had a chance to vote for a statute, a second statute, which was clearly unconstitutional. It had no expedited procedure in it, was not going to go anywhere, but they did not care. They think they can fool the people back home by voting against the amendment and then for some little, phony statute that would set up a procedural device, and it was defeated, so there was little justice after all yesterday. All the liberals who thought they could have it both ways, vote against the amendment and vote for some meaningless statute, were fooled. The House defeated it. We have been down that road before. The Supreme Court said it is unconstitutional.

In my view, our last chance is the constitutional amendment. Maybe 10 years from now nobody will care. But I would say that most amendments, at least a third of the constitutional amendments, arise because of Supreme Court decisions. This is no different. It is something we do not spend a lot of time on.

People say we are spending all this time on the flag. Well, I would like to spend a little time on the flag. We spent 8 days on the Hatch Act. No one complained about that. Fortunately, the veto on that was sustained. Maybe,

after we have had our debate and we have had an opportunity to express ourselves, we will give everybody an opportunity to vote in a free country and in a free Senate. If those who oppose the amendment prevail, as far as I am concerned I do not know of any other recourse. It does not mean we cannot revisit it. But I guess it would not be in the near future.

Mr. President, I see the majority leader on the floor and I wonder if I might inquire as to the program for the remainder of the day.

Mr. MITCHELL. Mr. President, I came to the floor intending to talk to the distinguished Republican leader about that. I understand that the managers of the bill are now meeting with the Secretary of Housing and Urban Development. I wanted to have the opportunity to discuss that with the Republican leader privately, and then to have an announcement of our plans not only for the rest of the day, but I hope for the next week as well.

PROTECTING THE CONSTITUTION

Mr. WIRTH. Mr. President, I rise this afternoon to commend our colleagues in the House for doing exactly the right thing related to the flag at some political peril, for reasons I will talk about later as we go through this process. But I wanted to take a moment to commend those Members and to talk a little myself about my own position as it relates to protecting the Constitution of the United States.

Mr. President, I believe that those who burn our Nation's symbol do it a great dishonor. I do not think anybody disagrees with that. But I also firmly believe that we will do our country and our Constitution great dishonor to act as though we need to protect a symbol from the very ideas and freedoms that it represents. The fundamentals of democracy have withstood the test of time in our Nation, and I cannot see the need to begin to dissect our Constitution in order to protect this symbol from the few who choose to burn it as a way to express their divergent views.

I, like every Member of the Senate, am proud to be an American, and respect and honor the symbol of our Nation—the flag. My pride is based on a firm belief in the principles of our Constitution, and the first 10 amendments to the Constitution, which we now refer to as the Bill of Rights, which is the most clear and eloquent statement of the right of citizens of this Nation to be free from the dictates of government.

For 200 years our fundamental individual liberties have been protected by the Bill of Rights, and our Nation has been served well by its guidance.

During that time, the Bill of Rights has never been amended. A testament to its beauty and ability to withstand outside pressure is the fact that it now stands just as it was enacted. But we are, this week, being asked to change all of that—to dilute the first amendment to our Constitution, to cut holes in it, and carve out special exemptions. Our duty, rather, is now to stand up and protect that extraordinary statement of human rights.

Yet, Mr. President, there are those among us who are ready to cave in to the power of political opportunism and to alter this sacred document. The flag, they assert, should not be trampled upon. I agree. They say that those who burn the flag are slapping America in the face, and again I agree. But when it is suggested that we need to protect our national symbol at the expense of our freedom, our liberties, and the one thing that binds us together as a nation—our Constitution—I must stand before my colleagues and say no. I cannot, in good conscience, compromise the values of our country to protect what serves as a symbol of those values.

I stand here today as well, Mr. President, to say that I am sickened by the people in our country who are active in neo-Nazi and Ku Klux Klan activities. These kinds of hate groups are the antithesis of everything for which I stand and everything for which I think this country stands. But because we are in the United States and because we believe in the freedom of expression, we allow these groups to not only exist, but to demonstrate—even when that demonstration includes the burning of crosses, or stars of David, which are other important symbols to this country that considers itself one nation under God. But, as citizens of this Nation, we believe that an individual's right to express his or her opinion is so fundamental that we even protect those who do not share that view.

I find it ironic, Mr. President, that much of what we are hearing in support of the constitutional amendment to prohibit flag burning comes from the very people who fought to protect the freedoms the flag symbolizes. Ensuring the ability of people to speak freely and express their views was, in part, what led to the first war in our Nation's history.

I also find it ironic that the only other situation that I am aware of where desecration of the flag was disallowed was Nazi Germany. And currently, while the Senate is busy debating the punishment of those who burn the flag, the National People's Congress of China is considering a similar measure.

Why do we honor the flag in this country? Clearly because we honor the ideals and the rights and the freedoms

for which it stands—those concepts embedded in the Constitution. If we move to lessen those freedoms, we lessen our very founding principles.

I believe it is important to remember that the flag is a piece of cloth. It is a symbol. By destroying that symbol, nothing is done to destroy our Nation. We are too strong for that.

In addition, Mr. President, we have a responsibility here, in this institution, and in our Government, to govern. We are sent here to make tough decisions, not to hide behind this political diversion. We are sent here to chart the future of our country, not to map a disgraceful departure from our principles as they are embodied in our Bill of Rights. We are sent here to settle our differences peacefully in the political process, not to exacerbate them by political stunts. We are sent here to tell the American people the truth about events in our times, not to cut corners and shade the truth with 30-second commercials.

The flag amendment sounds good if you say it fast enough, Mr. President. Let us instead slow down and address the real problems. Let us ask those who are advocating this flag amendment, and pushing it with an enormous amount of national hype, to focus some time and attention on the grinding deficit which is now catching up to us a result of, as Mr. Fitzwater pointed out the other day, 10 years of neglect and mismanagement and an economic policy that said that we could somehow take in less money, balance the budget, and spend an enormous amount more at the same time. This is a preposterous proposition, and one which is now coming home to haunt us.

Let us ask them to go back to the process of reregulating our special financial institutions which were, again in Mr. Fitzwater's words "victims of 10 years of mismanagement and neglect." We deregulated those institutions, and now the chickens have come home to roost, Mr. President. We not only deregulated them, but we neglected them and stopped any regulatory process whatsoever.

Instead of focusing on the diversion of the flag amendment, let us go back and address the very real set of problems that is costing the American people hundreds of billions of dollars.

Instead of this diversion, Mr. President, let us ask this administration to go spend its time focusing on the education crisis in this country, a crisis which includes nearly 30 million Americans who are functionally illiterate, who cannot read well enough to take a bus across town or to read the prescription on a bottle of medicine. This is not a set of problems, Mr. President, that is going to go away through a rhetorical educational summit, but will go away only through

leadership. We are asking for that leadership.

Mr. President, let us ask, that we focus on the issue of health care, which is emerging very rapidly as an increasing financial crisis—one that will not be solved through empty rhetoric. It, too, demands leadership, and we are asking for that leadership.

We should ask for leadership in the area of the environment; Mr. President, as we are now faced with a growing crisis. Our national security threat does not come from the Soviet Union any more—the cold war is over. Rather, it comes from our relationship with the globe and what we, as mankind, are doing to it. The world is looking to this country for leadership. The world is looking to us for leadership, not for diversions. Where is that leadership on these issues?

The set of issues that we face, Mr. President, the set of problems that we face, demand that we get serious. The cold war is over, the Berlin Wall has fallen, and it is a new world out there. There are tremendous opportunities and tremendous challenges for us, and the opportunities will not be taken nor the challenges confronted through diversion. They can only be met through leadership.

The last time this happened in our Nation's history where we were presented with this kind of opportunity came right after the Second World War. At that time, the United States again had won, the world was filled with enormous opportunities, and we had a number of divergent choices at that point. President Truman and the people around him were faced with the growing threat of communism. They were faced with the choice of bringing the boys home, which would have been the popular thing to do, or recommitting American military forces in Europe and around the world. If that administration had done what we are seeing today it would have put its finger to the wind and taken a poll of the American people. Should we bring the boys home, or should we do the difficult thing? That administration did the right thing, the courageous thing, and made a commitment of American troops—and a commitment that has paid off handsomely. In 1947 and 1948, when we were faced with the problems of rebuilding Europe, the Truman administration did not take a poll and ask the American people, do you want to spend funding here at home on nylons and other consumer demands, or do you want to spend money to rebuild Europe after the devastation of the Second World War.

That administration did not go to take a poll and just do the popular thing. They did the courageous and the right thing. The decisions made by that administration at that time are now paying off handsomely, extraordinarily well for democracy, for free en-

terprise, and for our system the way we know it today.

Again, we have to ask the current administration to make the difficult and courageous decisions, to get serious about this process of government rather than giggle around the Cabinet table about the flag amendment, to stop waving flags from the White House and talking about how this is going to make a great 30-second commercial, and to get on to the real problems that we face. They cannot run and hide.

Finally, reference has been made to beltway arrogance being it. It seems to me the only thing that is in, Mr. President, are beltway consultants, and people make 30-second advertisements that are going to be run against those courageous people in the House that did the right thing on the flag amendment.

We are going to see more fodder for those beltway commercials made here, I gather, next Tuesday, Mr. President, when we go ahead and have this absolutely unnecessary vote. Everyone knows that after the House vote, this has become a perfectly meaningless exercise for us except for the kind of sounds-good-if-you-say-it-fast-enough politics.

The House of Representatives exposed this issue for what it is, Mr. President, a diversion. It is politics at its worst. I certainly hope, Mr. President, that we do the right thing and the courageous thing on the Senate side, just as enough Members of the House of Representatives did the right thing and courageous thing yesterday, and just as 40 years ago the people governing the country at that time did the right thing and the courageous thing.

Mr. President, I look forward to next Tuesday, to voting for the Bill of Rights. I look forward to voting for the Constitution, and I look forward to voting for that grand tradition in the United States that people do have the right of free speech, even if we disagree with them.

When I came to the U.S. Senate I took an oath to uphold the Constitution. On Tuesday, I will honor that oath.

I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ADAMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. KOHL). Without objection, it is so ordered.

Mr. ADAMS. Mr. President, I ask unanimous consent that I might pro-

ceed for 10 minutes as though in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE FLAG AMENDMENT

Mr. ADAMS. Mr. President, 200 years ago, the Founding Fathers of this Republic demonstrated the courage and vision that are the underpinnings of our Bill of Rights, a remarkable series of 10 amendments to our Constitution intended to protect the individual rights of citizens from the actions of government. Of those amendments, none stands as a greater tribute to our national respect for the right of all citizens to express themselves, than the first amendment, which reads:

Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble and to petition the Government for a redress of grievances.

The Bill of Rights was adopted 13 years after the occasion of the Continental Congress, on June 14, 1777, adopting the Stars and Stripes as our Nation's official flag.

Old Glory has proudly waved overhead, through war and peace, through good times and bad, during the life of our Nation. The love each and every Member of this body has for our national symbol is not a partisan concern. Indeed, every citizen who has ever sat in one of the desks on this Senate floor, representing one of the United States of America, has respected and honored this flag. It distresses and concerns me to stand on this Senate floor in June 1990, and hear Senators profess some higher sense of patriotism that compels them to tamper with the first amendment in order to protect ourselves from a small, misguided collection of malcontents who exercise their first amendment right of free speech in a most repugnant and obnoxious manner: By burning the American flag. Their conduct is shocking and offensive to all patriotic Americans, regardless of political party.

Mr. President, it must certainly be a blind rage that drives some Members to do exactly what the first amendment directs government not to do. For if we pass this legislation, Congress will be doing precisely what the first amendment prohibits: "Congress shall make no law abridging the freedom of speech." That for me, is a simple and straightforward admonition. We have already attempted to legislate around the Bill of Rights by passing the law our Supreme Court recently struck down. Yesterday's vote in the House of Representatives rendered moot any further action in the Senate this year on this constitutional amendment. Yet there are still those

who insist on calling for a vote in the Senate. The only possible reason for a Senate vote is to provide grist for the campaign mill, and footage for the 30-second soundbite artists. Rather than move on to the truly pressing issues that face this Nation, like the budget deficit, the ballooning savings and loan disaster, and the crucial appropriations bills needed to keep our Government functioning, we are still here arguing about the need to amend the first amendment, a cherished, 200-year-old principle that is seen throughout the world as one of America's really special features. The right to dissent is one way to protect democracy, particularly in times of great stress.

It would be easy to conclude that we, as an institution, have a limited attention span when it comes to addressing the really serious problems that face our country. We operate in an era of frivolous soundbites, vaguely articulated defining issues and other stage-props that tend to clutter up the political stage during the campaign season. As we all know, this is an election year. The various consultants, spin doctors, advertising agencies, and other cottage industries of the political campaign business are gearing up for another expensive assault on the sensibilities of the American voter. The last Presidential campaign brought us such statesmanlike political spots as the Willie Horton furlough and the cleanup of Boston Harbor. Now it looks as though this election cycle is doomed to be remembered as the year when reckless political candidates trampled on the Bill of Rights to prove their superior patriotism, in 30 seconds or less. What a sad and pathetic way for this Nation to observe the 200-year history of our most cherished individual liberties.

Mr. President, as a veteran of World War II, I know the thrill one feels when marching behind the flag. Many of us still have tears in our eyes when the bugle blows taps, when the gun salute to a fallen hero sounds, or when the flag is raised at dawn. The men who fought and died at Iwo Jima, some who were my friends, were protecting our Nation's honor and they deserve better than to have their memorial used as a backdrop for political advantage. The Bill of Rights to the Constitution of the United States of America should be protected from the mischief of political soundbite artists in search of a 30-second hit against a political opponent. And the true symbolic value of the Stars and Stripes ought to be shielded from the simplistic, petty rhetoric that trivializes our national symbol in the name of protecting it from flag burners who ought to be ignored.

Before we break to observe our Nation's Independence Day, let us put aside this exercise in false patriotism,

and do our Nation's business here in the Senate. That act would demonstrate a real appreciation for the cherished values for which Old Glory and the Bill of Rights both stand.

I shall oppose an amendment to amend the Bill of Rights, cloaking it in some type of rhetoric or language that involves the flag of the United States. I hope that my colleagues will do the same and that we will follow the action that has taken place in the House this week and that the American people will know that we, in their most cherished institution, the Congress, really trust them and that we all have faith in ourselves and in the first amendment and in our abilities to demonstrate our patriotism and our belief in this country without having to vote to chip away and change the first amendment.

Mr. President, I yield the floor and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll. The assistant legislative clerk proceeded to call the roll.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the order for the quorum call be resinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

A TRIBUTE TO JACK KEMP

Mr. MOYNIHAN. Mr. President, as debate over the National Affordable Housing Act draws to a close, I rise in unabashed tribute to our Secretary of Housing and Urban Development and former colleague in the House of Representatives, the inimitable Jack Kemp.

From time to time on Friday mornings I have coffee with members of the New York press here in Washington, and as it happened, did so this morning. The subject of housing came up, and with it the current activity of the Secretary of Housing and Urban Development. I found myself saying that Jack Kemp was far the most important figure to emerge in the area of national social policy in the past two decades. I would take the time of the Senate to expand on this thought.

It is not all that complicated. Jack Kemp, from a conservative perspective, had almost single-handedly revived the effort to address the problems of poverty in America through activist social policies. He not only cares, he is convinced. Convinced in two senses: first, that it is necessary to care; second, that caring can have consequences.

Some might say—I might myself have said—that for all his conviction, Kemp had been given the least promising area in which to pursue his goals. Decent housing is an outcome of social well-being, rather than the other way around. I could take a good deal of the

Senate's time expounding on this, but at one level or another we all know this. The distinguished Senator from California, who is the principal manager of the bill before us, has observed that this is the first major housing bill to come before the Senate in a quarter century. I assume he refers to the Housing and Urban Development Act of 1968. That was indeed the last enactment of true faith. The Great Society had run its course. It had had a long run, as these things go, a thousand days from the assassination in Dallas in November, 1963 to the congressional elections of November, 1966. But in the aftermath, the very able assistants to that eminent first Secretary of Housing and Urban Development, Robert C. Weaver, opted for audacity. Instead of reducing their demands on Congress, they doubled them and in one final, dazzling turn of the wheel, they won everything they wished for. I can attest to the general joy.

Alas, few any longer believed in those wishes.

An era had ended. The belief in what we called public housing as a public good was dying.

As with so much in American social policy, the housing movement began in New York City in the early years of the century, and made its way to Washington in the administration of Franklin D. Roosevelt. By the 1950's, it began to be clear in New York that public housing was not working well. By the 1960's, that idea had reached Washington.

There things stood until the arrival on the project of Jack Kemp.

I have known and admired each of the Secretaries of Housing and Urban Development that followed in the administrations of Presidents Nixon, Ford, and Carter. George W. Romney, James T. Lynn, Carla A. Hills, Patricia R. Harris, Moon Landrieu. Superb public servants all. But their service was addressed to what was increasingly understood to be a failed enterprise. In the early 1960's this was already being documented in St. Louis by Lee Rainwater and his associates in their studies of the prize-winning Pruitt-Igoe housing project. Hailed as a model of good design and intelligent planning, it became the scene of such seemingly irreversible social pathology that in the early 1970's the authorities did the only thing left to do. They blew it up.

And there were no new ideas.

In the 1980's we did begin a low income housing tax credit. As I recall, I offered this as part of the Senate version of what became the Tax Reform Act of 1986. On the House side, my dear friend, Representative CHARLES RANGEL, enriched and enlivened the proposal. In the end we obtained a tax expenditure of \$1 billion a year, with an extra helping for New

York. The credit was extended in the Omnibus Budget Reconciliation Act of 1989 and continues through the remainder of this fiscal year. A lot of money, a billion dollars—per year. An investor in low-income housing receives the credit of a 10-year period, getting a credit equal to 9 percent of his investment each year. This works out to a 70-percent credit, in present value, over 10 years. And yet, I have not the faintest notion whether any low income housing has come of it. Certainly I have never been invited to a ribbon cutting ceremony. And this is the point. As low income housing came to be associated with a certain class of low income persons, social policy backed off.

This was the great transformation. Public housing began as a form of slum clearance. Heaven knows, there was a case to be made. In 1910, for example, Manhattan had twice the population it has today. Nowhere was this settlement more dense than on the lower East Side of celebrated memory. Appropriately, the first federally assisted public housing was opened in 1936, bounded by Avenue A, First Avenue, East 2d and East 3d Streets. Al Smith country you could say; also Jacob Riis. Appropriately, also, the project was given the name First Houses. It is still there, now on the National Register of Historic Places. It is a bright and pleasant five-story affair, much in contrast to the high-rise projects all around it. It has its share of welfare; a quarter of the families. But only one family in seven is headed by a single parent. Most of the residents are seniors. Average gross income is low, but adequate. By any standard, First Houses has more than met the great expectations of the city planners and social reformers who built it in the age of Fiorello LaGuardia.

By contrast, the public housing that surrounds First Houses, radiating from this epicenter outward to the far reaches of the Nation, is a wholly different setting. The single parent welfare family living in public housing has come to symbolize and to constitute the most intractable and pressing social problem the United States faces today.

No other industrial society has any equivalent. In France, for example, where public housing projects are built in the suburbs for fear of defacing the beloved central city, there are occasional reports of troubled projects housing immigrant workers, but the Senate may be sure that these difficulties are modest compared with ours. We have no European counterpart; no European solutions. We are on our own.

Enter Jack Kemp. I remarked earlier that it might have seemed that housing and urban development were the least promising tools with which to ad-

dress this peculiarly American problem. But on reflection, this may not be so. Because it is precisely in public housing that the problem is located. A full 71 percent of families with children living in public housing in the United States are headed by a single parent. This is more than three times the national average of 22 percent. Most of these families are dependent on welfare. Almost every aspect of their lives has deteriorated over the past two decades. Since 1970, for example, the constant value of welfare payments has dropped by one-third. Similarly, the level of public housing outlays has sharply declined, especially in the matter of maintenance. In 1987 HUD estimated there was a \$20 billion backlog of repair work and modernization. Public housing deteriorates. Why else do we need tax credits to build low income housing?

Jack Kemp is not content to preside over this disaster. It is verily a sea of troubles and he has taken arms against it. I do not know how well his prescriptions will work. Enterprise Zones, Homeownership and Opportunity for People Everywhere [HOPE], his other initiatives. Yet I know this much. In the 1950's I sat at the feet of Charles Abrams, an official then of the Harriman administration in Albany and one of the founders of the public housing movement in the United States. I learned of his hopes, and began to sense some of his fears. I watched him communicate both to Robert C. Weaver, then also in Albany. Later I learned from Rainwater how badly things were going. Still later, Banfield and Wilson taught me that little else was to be expected. Forrester, the greatest outsider, explained it all in *Urban Dynamics*, when the scientist who helped fashion the modern computer looked into the urban maze.

It was enough to get anybody down into the nothing works section of town. The more, then, do we welcome a new voice and new spirit. Let one thing be understood about Jack Kemp. He is not setting out on these ventures because he does not understand the subject. He knows all the obstacles. As near as ought to be the case with a public man, he has read all the books. It is just that he has not given up.

He is not getting all he wants in this bill, which is wrong of us. But he is getting some things, and that is the first hopeful event in this area that I have come upon in a generation.

Call him a bleeding heart conservative, if you want. I do not care what kind of heart he has if he has enough of it, and he has.

Mr. President, I thank the Chair for courteous attention. I do not see another Senator seeking recognition at this point and accordingly suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HEINZ. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. KERREY). Without objection, it is so ordered.

Mr. HEINZ. Mr. President, I ask unanimous consent that I might proceed as if in morning business for not to exceed 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Pennsylvania is recognized.

Mr. HEINZ. I thank the Chair.

(The remarks of Mr. HEINZ pertaining to the introduction of S. 2777 are located in today's RECORD under "Statements of Introduced Bills and Joint Resolutions.")

Mr. DASCHLE. Mr. President, I understand we are still in morning business?

The PRESIDING OFFICER. The morning business time has expired.

Mr. DASCHLE. I ask unanimous consent to speak as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

FETAL ALCOHOL SYNDROME

Mr. DASCHLE. Mr. President, along with the distinguished Senator presiding at this time, I have held a series of health hearings in the last couple of weeks, the likes of which I have not experienced in the past. I must tell my colleagues, these hearings were some of the most moving and informative I have had since coming to Congress. Over the next few weeks I would like to share some of my experiences with my colleagues and have printed in the CONGRESSIONAL RECORD some of the testimony we received at that time.

One day of the hearings I held were at Rosebud Reservation in the morning, and in Rapid City in the afternoon. The focus was Indian child abuse, and neglect, something we have not talked about very much on the Senate floor and, frankly, anywhere, and an issue I am going to be spending a good deal of time on in the months ahead—fetal alcohol syndrome and fetal alcohol effect.

I read a book by Michael Dorris called "The Broken Chord," and I strongly recommend it to my colleagues who want to gain a grasp of the devastating effect of fetal alcohol syndrome or effect on Indian children today, one of four of whom on some reservations have fetal alcohol syndrome or fetal alcohol effect. It is acquired during pregnancy when a mother drinks, does not take care of herself and most likely has very little prenatal care. As a result of her alco-

hol consumption, the fetus is affected and ultimately is born with either the effect or syndrome, making, in some cases, these babies nothing more than vegetables, but ensuring, without a doubt, that for the rest of their lives they will be subject to incredibly painful seizures, dependency upon somebody for virtually everything, and an abnormal life, subjected to that kind of condition for their entire life, however long they live.

We do not hear much about it because, frankly, it does not occur anywhere else to the extent that it does on the reservation. It happens on the reservation all too often. As I said, 25 percent of all Indian babies on some of our Nations reservations are born with syndrome or effect.

So, as we held these hearings and had the opportunity to travel through Nebraska and South Dakota, we came to the conclusion that once again we have to use a word that is too often used around here, the word "crises." Without a doubt, we have a crisis in health care that most people simply have yet to comprehend, a crisis on the reservation in particular, that is far more significant than any place else, a crisis that we have to address and that I hope my colleagues will better appreciate after I read some testimony this afternoon into the RECORD of one of the heroes in the war on poor health we are waging as I speak.

If I could summarize the three problems that we have in health care today, it would certainly be those related to cost, access, and to quality.

We have serious cost questions. We are now spending over \$2,000 for every man, woman, and child in the country; \$600 million last year on health care alone. For every car we buy, \$700 of that car goes to health care today. We have serious cost problems. We have access problems.

The Senator from Nebraska and I held hearings in which access came out so vividly, and we will be talking about that. Access is a real problem in South Dakota. We have 40 vacancies for doctors today, 2 vacancies for nurses, vacancies for health care providers across the board.

A small town in northwestern South Dakota, 300 or 400 people, Faith, SD, has one health care clinic serving people for about 150 miles around. That one little clinic is open 24 hours a day. It has one physician's assistant. That physician's assistant serves people for hundreds of miles in virtually every direction, with one caveat. That caveat is that that physician's assistant stay healthy.

He does everything. They think he is God out there, because he provides services I daresay may not be in the regs, but there is no one else to do it.

The other day, this overworked, this fatigued physician's assistant broke

his leg. He is now in the hospital. He is out of commission. He is not providing health care. So that clinic relies upon somebody else to travel hundreds of miles to that particular town 1 day a week. People line up outside on the street to get some kind of care for that 1 day a week when that physician's assistant is there.

That is access, and that is the problem we are facing in rural America with access today.

And we have quality problems. We are told by the New England Journal of Medicine that 30 to 40 percent of all health care provided today, 30 to 40 percent of it is unnecessary, is duplicative. It may be wrong, but we provide it, for example, for a lot of different reasons. But as we are paying more, and as it becomes harder and harder to get, incredibly the quality issue becomes even more of a problem.

So we have problems in health care that this Senate is going to have to address with increasing frequency. We simply cannot ignore it any longer.

The hearing that I had on the reservation was one that I doubt I will ever forget. Actually there were two parts—one at Sinte Gleska College on Rosebud Reservation, and one in Rapid City, SD.

One of the real heroes of the effort to make health better, to deal with the cost and quality and access problems that we are facing throughout rural America, especially on the reservations, testified and provided me an insight that I just had not had before. When she was finished, there was a pall in the entire room. No one spoke for an interminable amount of time, having been so moved by what she said. I guess I was the first one to speak after she finished testifying, and I said, "That was some of the most powerful testimony I have heard, and I am going to share it with my colleagues."

I thought, at the time, I was just going to insert it in the RECORD, as we do so often. And I am sure by now very few people might even have the opportunity to listen. But, having heard it, I owe it to my colleagues and I owe it to all of those concerned about health, to read what was a relatively brief statement but one that I daresay had they heard, like I heard, would be one of the most unforgettable.

Jeanene Grey Eagle, this past May 26, appeared before the committee and shared these thoughts with the rest of us:

On the Pine Ridge Indian Reservation, abuses take place in many different forms. We have alcohol abuse, drug abuse, spouse abuse, elderly abuse, and the most hideous abuse of all, child abuse. The abuse of a child is probably one of the most devastating things that can happen over the course of a lifetime. We all know that if one is

abused as a child, the probability of growing up and abusing others is very strong.

One of the saddest abuses is pre-natal child abuse. During the time before birth, a child should have the right to exist, free of any harmful chemicals that cause birth defects or mental retardation. A child's birth-right should include the ability to learn, the ability to reason, and most of all a promising future. Many children born to drinking parents will never have the ability to enjoy the simplest things in life, let alone know how to reason or how to plan a future.

During the 1950's-60's a drug was prescribed to pregnant women called Thalidomide. This drug caused a variety of birth defects which included children born without arms and legs, and also miscarriages. The Food and Drug Administration quickly traced the source of these birth defects and banned the use of Thalidomide by pregnant women. Fortunately, women stopped using Thalidomide, as it had no addictive properties. People clearly understood the direct cause and effect of use equals birth defects and possible death. Each year, across this nation there are thousands of children born to mothers who use alcohol and drugs. Even though it has been well documented that alcohol and drugs cause birth defects and miscarriages, the FDA is very slow to act against a very powerful lobbying force, the liquor industry.

As we are all aware, chemical dependency is just that, dependency. Simple warning statements on cigarette packages are never read, or, if they are, many people suffer from the "It will never happen to me" syndrome. But maybe there would be more attention paid to this topic if agencies were to get involved and scream from every rooftop about the dangers of alcohol and drugs much like what happened with Thalidomide. Maybe this approach would also bring much needed funding to provide treatment for pregnant women and their family members. This is not just a woman thing, this belongs to all of us, men, women, equally. We both share responsibility over what happens to our future generations.

Last year there were 10,269 arrests on my reservation, the Pine Ridge Indian Reservation.

I might say, Mr. President, parenthetically, there are only 12,000 people on the Pine Ridge Reservation. There was almost one arrest per capita on the reservation last year.

Approximately 25-30% of this total was females. One step further teaches us that the Chief Judge, Pat Lee, feels that 95% of all arrest can be attributed to alcohol and or drug abuse. And yet, Pine Ridge is still considered a dry reservation where the use and sale of alcohol is supposed to be prohibition of liquor on the reservation has led to the same scenario the United States witnessed in the 1920's. Bootlegging, manufacturing and sale of alcohol is rampant on the reservation. The lack of regulation has often resulted in the sale of liquor to children, leading to extremely high rates of juvenile delinquency and teenage pregnancy, and, consequently, harm to unborn children.

I should mention again, parenthetically, the biggest problem we have on the reservation among youth today is the consumption of Lysol. Lysol is very high in alcohol content and it is mixed with orange juice. Children drink it as if there were no tomorrow. They cannot get alcohol on the reser-

vation but they can get Lysol, and it destroys them. That is our biggest problem among children today on the reservation.

The infant mortality rate on the Pine Ridge Reservation and the Aberdeen Area is worse than the countries of Cuba, Bulgaria, and Peru. In this great land of plenty, many babies are born exposed to such high levels of alcohol and drugs before birth, that they die, or are born intoxicated and experience life threatening withdrawals shortly after birth. They are doomed to spend the rest of their life with birth defects and or mental retardation, which is all 100% preventable.

According to a 1986 study done by the Children's Defense Fund, the state's infant mortality rate per 1000 live births was 13.3 compared to a national average of 10.4%. Among non-whites in South Dakota, 90% of whom are Native American, the rate was 27.5%.

More than twice the national average.

This number means that of 1000 babies born in the state of South Dakota, 13.3% die before they reach the age of 1; for Native Americans in the same state of South Dakota, 27.5% of our babies die before their first birthday. I have heard that number has now increased to 30+ babies per 1000. Yet nobody is asking why?

In 1986, the Children's Defense Fund spokesperson, Joseph Liu, is quoted as saying: "Generally a one year increase like that doesn't amount to a trend, but what it obviously does is indicate something went wrong that year. South Dakota can't wait another year for a trend to emerge. It has to look into it right away." I remind you Mr. President, this was said in 1986.

I am upset that 3 years later we are obviously still waiting to see if a trend has developed, and there are more babies dying. Indian Health Services even had the nerve to print a story in a health magazine entitled, "Success Story—Infant Mortality." What kind of success are they referring to and where? There were hats off to all the health care providers that made this success possible. I refuse to take my hat off to this so-called success, and demand that Indian Health Service provide a responsible direction for our people. Even though it has been proven to Indian Health Service time and time again that Native American people suffer the highest rates of chemical dependency and fetal alcohol syndrome, they continue to underfund and place no priority on making the situation better.

Another factor to speak of here is Sudden Infant Death Syndrome and the peak numbers associated with our high infant mortality rate. How many of these deaths are attributed to alcohol and drugs? The hardest thing for me to accept personally is the knowledge that some babies have received so much alcohol through their mothers breast milk that they have a suppressed gag reflex and die trying to expel the liquor from their tiny bodies. This is child abuse disguised as Sudden Infant Death Syndrome. It is time we talk about all of these forms of abuse, some of it so shameful it is hard to talk about, to admit to people that alcohol and drugs have such a hold on our people that these things have happened and will continue to happen until we receive help. Then maybe we can take our hats off and salute people.

I would like to share a story told to me by a midwife in Pine Ridge who cares very much what is happening to our people. A

woman came to the hospital ready to deliver and had never been in a prenatal clinic before. It is a common story. This woman was obviously intoxicated. When the baby was finally born, a little girl, she would not cry and had a very difficult time breathing. The baby was taken to another room for more medical care, and when the baby started to cry, the smell of cheap wine was on her breath. It was very strong. This baby would not breathe because it was technically passed out. This is child abuse.

I know we are all tired of studies, tired because we never see the results or have an understanding of why it is necessary. I advocate that we find out how many amongst us are affected, how many children have been born with less than a normal life. An ongoing comprehensive study would allow us the knowledge base to demand resource to address the problem. Many children with special health and educational needs are presently unserved or underserved because the extent of their disabilities or cause has never been determined. It is also felt that if the general population is made aware of the high numbers of children that are affected, then the implications for future generations could be addressed. At the present time we do not have a problem. This problem has been created by Indian Health in their incomplete and inaccurate study which would have us believe that we only have 4-5 FAS births per 1000. That is wrong. We have a problem and no one should be misled by Indian Health Service or anybody else.

I have ten recommendations that I feel are very important to us as Native American people and to the nation as a whole regarding prenatal child abuse.

(1) We begin as concerned individuals to research a proper legal forum that will address the use of alcohol and drugs by women who are not going to have abortions. That we as a nation provide a deterrent by placing penalties for giving birth to one or more babies affected by prenatal exposure.

(2) That the Food and Drug Administration take a more aggressive approach in the labeling of all alcoholic beverages with warnings and also provide an aggressive, well informed public education campaign.

(3) That all medical schools teach a wide variety of health professionals Fetal Alcohol/drug effects on babies.

(4) That Indian Health Service take a leadership role in their field and provide ongoing FAS/FAE education to medical staff. That health educators become actively involved on every reservation to teach patients, community organizations, schools, tribal councils on the consequences of alcohol and drug use by pregnant women.

(5) Indian Health Service provide prevention, education and treatment aimed at alleviating fetal alcohol syndrome. Treatment and detoxification is essential for pregnant women.

(6) IHS begin immediate Special Needs Clinics across every reservation to determine the extent of present damage to our populations. That within these clinics special needs are not only identified, but also cared for.

(7) That the Bureau of Indian Affairs address the issue by screening within the school system and identifying their affected populations. Special programs and therapy should then be provided instead of the typical storage mentality for learning disabled children.

(8) That a comprehensive study take place to determine the extent of FAS/FAE on all reservations. That all past studies on our

reservation be rendered inaccurate or flawed because of lack of certain unique characteristics and traits.

(9) Tribal courts receive training and resources adequate to apply any such law to its fullest extent, regarding the investigation, arrest, prosecution, and judgment of prenatal alcohol drug exposure and its subsequent birth defects. Depending on the appropriateness of the situation, whether it's the second, third, or fourth offense. Also enforcement and bringing into compliance of offenders who have willingly, or by court order, submitted themselves to an appropriate diversion/rehabilitation program.

(10) That IHS print the FAS adolescent manual which contains the 10-year study by Anne Streisguith, which includes a working knowledge of how to work with FAS adolescents.

My friend, Michael Dorris, wishes he could be here today. Unfortunately, his son, Adam, for whom "The Broken Cord" was written, is undergoing brain surgery. He is, as we all know, fetal alcohol syndrome-affected and has suffered a lifetime of problems, including severe seizures. Now, today, surgery is being performed to see if the seizures can be stopped if not slowed down. When you pray today, remember this brave young man and his fight to find a normal lifestyle, which certainly is his god-given right.

NATIONAL AFFORDABLE HOUSING ACT

The Senate continued with the consideration of the bill.

Mr. BRYAN. Mr. President, I ask unanimous consent that the pending amendments be set aside in order to consider three amendments en bloc.

The PRESIDING OFFICER (Mr. DeCONCINI). Without objection, it is so ordered.

AMENDMENT NO. 2065

Mr. BRYAN. I send the amendments to the desk and ask for their immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendments en bloc.

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. BRYAN] proposes an amendment en bloc numbered 2065.

Mr. BRYAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To modify the Public Housing Drug Elimination Act)

On page 627, strike lines 8 through 13 and insert the following:

"(d) FEDERALLY ASSISTED LOW INCOME HOUSING.—In addition to the selection criteria specified in subsection (b), the Secretary may establish other criteria for the evaluation of applications submitted by owners of federally assisted, low income housing, except that such additional criteria shall be designed only to reflect—

"(1) relevant differences between the financial resources and other characteristics of public housing authorities and owners of federally assisted, low income housing, or

"(2) relevant differences between the problem of drug-related crime in public housing and the problem of drug-related crime in federally assisted, low income housing."

Page 634, line 16, after "IN GENERAL.—", strike "The" and insert in lieu thereof "To the extent provided in appropriations acts, the".

At the end of the Title X of this bill, add the following new title:

TITLE —GENERAL ACCOUNTING OFFICE STUDY

SEC. . EXTENT TO WHICH FEDERAL ASSISTANCE PROGRAMS DISCOURAGES INDIVIDUALS FROM LEAVING SUCH PROGRAMS.

The Comptroller General of the United States of America shall conduct a study to examine how housing policies and social service policies affect beneficiaries, particularly those receiving public assistance, when such beneficiaries gain employment and experience a rise in income. The study shall analyze the extent to which existing housing and other laws create disincentives to upward income mobility and shall recommend any changes to existing law which would remove such disincentives.

The Comptroller General shall report to the Congress of the United States of America the findings of this study not later than twelve months after this bill becomes Public Law.

Mr. BRYAN. Mr. President, these amendments have been offered for consideration by several of our colleagues. Both Senator CRANSTON and Senator D'AMATO, the respective floor leaders on this legislation, have concurred with their adoption.

Let me first try to summarize what they do.

The first amendment submitted by Senator LAUTENBERG would make additional technical amendments to the Public Housing Drug Administration Program.

The second amendment submitted by Senator KASSEBAUM would subject the deferred mortgage provisions in section 803 to a requirement that the deferral of repayment be explicitly provided for in appropriation acts.

The third amendment submitted by Senator MACK would direct the General Accounting Office to examine the extent to which existing housing and other laws create disincentives to upward income mobility and to recommend any change to existing laws which would remove such disincentives.

Mr. President, it is my understanding that these amendments have been cleared on both sides of the aisle. I urge their adoption.

The PRESIDING OFFICER. Is there further debate?

If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 2065) was agreed to.

Mr. BRYAN. I move to reconsider the vote by which the amendment was agreed to.

Mr. SIMON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RIEGLE. Mr. President, earlier this year, I introduced the Homeless Outreach Act of 1990, a bill which would require the Social Security Administration [SSA] to provide critical assistance to persons who are homeless in order to help them receive supplemental security income [SSI] benefits. As many as 50 percent of all homeless people who qualify for these benefits do not receive them because they are unaware of their eligibility or are unable to navigate the complex application process, which includes a 12-page form, a medical exam, and follow up visits, without assistance. People with very low incomes and assets qualify for SSI if they are blind, elderly, disabled, or mentally ill.

The bill would require SSA outreach workers to go to soup kitchens, shelters, and day centers to teach homeless people about benefits, assist them with the application process, arrange for necessary medical exams, and provide followup assistance to ensure that they receive benefits. Furthermore, SSA would have to provide assistance to prevent the inappropriate suspension of benefits. Homeless individuals, isolated on the streets or moving from shelter to shelter, often do not receive notices from SSA. The outreach would restore improperly terminated benefits and provide assistance on any appeal. The bill also enables SSA to award grants to States, local governments, and nonprofit organizations to conduct outreach programs. In many communities, partnerships like these have been very successful.

Mr. BENTSEN. Mr. President, I commend the efforts of Senator RIEGLE on behalf of people who are homeless and their efforts to obtain SSI benefits. Throughout the past decade, as the number of homeless has increased, we have seen an increasing need for outreach efforts by the Social Security Administration. Disabled children and the elderly as well as the homeless could benefit from increased outreach efforts.

If the Senator from Michigan would withhold offering his legislation as an amendment to the pending housing bill, the Senator would have my assurance that the Finance Committee would hold hearings on his homeless outreach legislation sometime this year.

Mr. RIEGLE. Mr. President, I was considering offering this legislation as an amendment to the pending National Affordable Housing Act; however, because of the assurances of the distinguished senior Senator from Texas, the chairman of the Finance Committee, I will not do so. While the bill affects those who are homeless and thus is quite relevant to the pending measure, I recognize that the Finance Com-

mittee should have full opportunity to consider the bill before the Senate votes on it. As a result, I am pleased that the Finance Committee will hold hearings to address the unique circumstances of the homeless, the need for outreach, and the most effective way to structure the outreach.

RECOGNITION OF TWO WINNERS OF THE 1989 NORTH CAROLINA BEACH BUGGY ASSOCIATION "GET HOOKED ON FISHING—NOT DRUGS" ESSAY CONTEST

Mr. SANFORD. Mr. President, with all the talk we hear about the ills of drugs these days, the underlying truth is obvious to all of us in the Chamber today; drug use is ruining the lives of otherwise productive citizens and robbing our youth of all potential.

These victims of the drug epidemic could be enjoying the great outdoors instead of experiencing hallucinations or a false sense of euphoria. Oh, what they are missing. What drug can give you the high of wading up a rushing mountain creek with banks of laurel on either side and a Carolina blue sky above? What could be more satisfying than finding yourself surrounded by miles of blue sea and sunny skies, or just sitting back on a summer afternoon on your favorite riverbank? The only thing that would make these times better would be a fishing rod bent double and the excitement of a fight. Mr. President, more people need to "get hooked on fishing—not drugs."

I share this sentiment with Mr. George C. Deems, president of the North Carolina Beach Buggy Association [NCBBA], who has actively promoted environmental protection and responsible outdoor fun. Thanks to Mr. Deems and his organization I am pleased to be able to share a couple examples of written work by North Carolinians who understand the good things about getting hooked fishing and the bad things about drugs. I sure hope more Americans will take the advice Al Jones and Chuck Johnson are giving us in their essays. These young men deserve recognition for their healthy attitudes about recreation and for placing in the Beach Buggy Association's "get hooked on fishing—not drugs" essay contest.

I ask unanimous consent that the essays be printed in the RECORD.

There being no objection, the essays were ordered to be printed in the RECORD, as follows:

[Second Place Division I]

GET HOOKED ON FISHING—NOT DRUGS

I can think of many things I would rather do than abuse any kind of drug—walking in front of a speeding truck comes to mind. This may sound crazy to you, but wouldn't you rather be killed instantly by a truck, than die slowly from an addiction to some

kind of drug, such as crack, one of the most addictive, deadliest drugs known to man?

When I hear about people who are addicted to some kind of drug, I wonder: Why, with so many things for a person to do with his life, would a person decide to destroy himself with drugs? Drugs cause their users to destroy families, communities, friends, and themselves with something as destructive as that?

Many opportunities other than drugs are open to a person. Careers, hobbies, and other activities are out there waiting for a person to find one that suits his interests. One particular activity which is more rewarding and enjoyable than using drugs is outdoor recreation.

One popular way to spend time outdoors is to go fishing from time to time, whether it's for food, or just to relax. If a person doesn't like fish, hunting is good activity. The great thing about these two activities is that even if you don't catch anything, you have a great time in trying to catch something while at the same time getting a first hand look at nature.

Any outdoor activity is far safer, enjoyable, and acceptable than drug use. Drugs cause a person to deteriorate, as the gets deeper into addiction. Outdoor activities like the ones I have described, help a person grow emotionally. Everytime a person goes fishing, he learns something that will last a lifetime. The high from a drug lasts only a short time, and only makes a person lose touch with reality. Which would you prefer, a leisurely day of hunting or roving the streets, trying to find the money for your next drug high?

Such activities in the great outdoors can give a person an incredible sense of pride, like the satisfaction in catching the biggest fish in the world. Maybe you will go camping with a family member or a friend and find out, when the trip is over, that you have grown closer to that person. Whatever the case, you will find that you gain something valuable from the experience, even if it rains, and everything seems to go wrong. Remember, it's all up to you. Wouldn't you rather go fishing and hook a big one instead of getting hooked on drugs and catching nothing?—Al Jones, Chiquapin, NC.

[Second Place Division II]

GET HOOKED ON FISHING—NOT DRUGS

There is no greater feeling than to be reeling fish in, and the fish gives you a struggle. Once you reel the hooked fish in you are so proud and want to let everyone know that you caught it.

Drugs, once you are hooked you do not have that option to throw it back. And instead you are more like the fish in this story than the fisherman. You will struggle like that fish. You will try to do anything to get free from the struggle of being hooked. The fisherman threw back his fish to catch for another day. Drugs will only catch you and fry you. My advice to you is never take the bait and you can't get hooked. There are many fish in the sea, so don't mess with drugs. Once you are hooked don't be expected to get loose as easy as the fisherman and the fish.

Many fish have been hooked and never return to the waters. If you start on drugs it will be the same for you. So, don't be a fish out of water and be smart, don't start. There is more to life than to be like an anchor and be weighed down by drugs.

Sure life can be rough as the waters, but drugs are no way to calm the choppy seas. In all due time the waters will be smooth

sailing. Many people will tell you if you try it just once it will not do anything to you. It only takes once to be snagged out of the waters of life.

Life is too short to end it too quick with drugs. Don't be a flying fish, stay in the cool waters and swim freely without being hooked in the mouth and being reeled in. So grab your poles, get your bait, jump in the boats, and have a fun filled day on the lake catching fish. Spend a day on fishing not a lifetime on drugs. Enjoy the fresh air, the great outdoors instead of hiding in closets and bathrooms. Don't do a couple of lines, instead throw a couple—Chuck Johnson, South Mills, NC.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Mr. President, I ask unanimous consent to proceed from 5 minutes as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIVE AMERICAN'S PROBLEMS

Mr. SIMON. Mr. President, I was over in my office. I heard my colleague from South Dakota, Senator DASCHLE, speaking about the problems that American Indians, frequently called native Americans, now face. I had the privilege of having a hearing in South Dakota some weeks ago at the Pine Ridge Indian Reservation.

I simply want to buttress what Senator DASCHLE has said and commend him for his leadership in this area. I know the Presiding Officer, Senator DeCONCINI, is from a State where a lot of native Americans also are. I assume the problems may be very similar.

At the Pine Ridge Indian Reservation they have an unemployment rate of 73 percent; 26 percent of the homes have no indoor plumbing; 8 percent have no electricity; 65 percent have no telephones. You can go on. They are just staggering statistics. We clearly have to do a better job.

We talk about—and I heard Senator DASCHLE comment—the statistics that he was providing are worse than Cuba, Bulgaria, and a number of other countries that he mentioned. We simply have to be more responsive. It is not simply a matter of handing out money.

I had the privilege of being the co-sponsor some years ago of the Tribally Controlled Community College Act. I think it is education, and it is having programs that really provide opportunity for leadership to emerge. I do not have all the answers by a long shot. I do not know what they are. But I know this: if we get enough TOM DASCHLES in the U.S. Senate who show a concern, we can move toward much better solutions than we have right now. I hope we show a greater sensitivity, and working with the native American leadership come up with answers that really are solid, substantial answers for their future, not just short-

term political answers for our own political benefit.

Mr. President, if there is no one else who seeks the floor, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CIVIL RIGHTS ACT OF 1990

Mr. MITCHELL. Mr. President, I now ask unanimous consent to call up S. 2104, the Civil Rights Act of 1990.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. Mr. President, I have a request that we have an objection on this side.

The PRESIDING OFFICER. Objection is heard.

CLOTURE MOTION

Mr. MITCHELL. Mr. President, I move to proceed to Calendar No. 586, S. 2104, the Civil Rights Act of 1990, and I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the motion to proceed to S. 2104, a bill to amend the Civil Rights Act of 1964 to restore and strengthen civil rights laws that ban discrimination in employment, and for other purposes.

George Mitchell, Alan Cranston, Wyche Fowler, Dennis DeConcini, Edward M. Kennedy, Timothy F. Wirth, Paul Sarbanes, John F. Kerry, Daniel K. Akaka, John D. Rockefeller, Lloyd Bentsen, Carl Levin, Brock Adams, Howard M. Metzenbaum, John Glenn, Joe Biden, Joe Lieberman, Patrick Leahy.

MORNING BUSINESS

Mr. BINGAMAN. Mr. President, I ask unanimous consent that the Senate proceed to morning business for a period of one-half hour.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

THE EXECUTIVE CALENDAR

Mr. BINGAMAN. Mr. President, I ask unanimous consent that the

Senate proceed to executive session to consider the following nominations: Calendar No. 714, Calendar Nos. 820, 821, 822, 823, 824, 825, 826, 827, 828, 829 through 835, 836 through 845, 846 through 854, and 855 through 857; and also all nominations placed on the Secretary's desk in the Air Force, Army, Foreign Service, Marine Corps, and the Navy. I further ask unanimous consent that the nominees be confirmed en bloc; that any statements appear in the RECORD as if read; that the motions to reconsider be laid upon the table en bloc; that the President be immediately notified of the Senate's action; and that the Senate return to legislative session.

The PRESIDING OFFICER (Mr. BREAU). Without objection, it is so ordered.

The nominations considered and confirmed are as follows:

DEPARTMENT OF STATE

Shirin Raziuddin Tahir-Kheli, of Pennsylvania, to be alternate representative of the United States of America for Special Political Affairs in the United Nations, with the rank of Ambassador.

David Passage, of North Carolina, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Botswana.

Richard Wayne Bogosian, of Maryland, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Chad.

William B. Milam, of California, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the People's Republic of Bangladesh.

James Daniel Phillips, of Kansas, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the People's Republic of the Congo.

Roger Gran Harrison, of Colorado, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Hashemite Kingdom of Jordan.

William Bodde, Jr., of Maryland, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of the Marshall Islands.

Joseph Edward Lake, of Texas, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Mongolian People's Republic.

IN THE NAVY

The following-named officer for reappointment to the grade of admiral and as Chief of Naval Operations under the provisions of title 10, United States Code, sections 601 and 5033:

To be admiral

Adm. Frank B. Kelso II, U.S. Navy, xxx-xx-xxxx

DEPARTMENT OF DEFENSE

The following-named officer for appointment as Commander in Chief, U.S. Special Operations Command, and appointment to the grade of general while serving in that position under the provisions of title 10, United States Code, sections 167 and 601:

To be general

Lt. Gen. Carl W. Stiner, xxx-xx-xxxx, U.S. Army.

IN THE AIR FORCE

The following-named officer for appointment to the grade indicated while serving in a position of importance and responsibility designated by the President under the provisions of title 10, United States Code, section 601, and to be appointed as Chief of Staff, U.S. Air Force under the provisions of title 10, United States Code, section 8033:

To be general

Gen. Michael J. Dugan, xxx-xx-xxxx, U.S. Air Force.

The following-named officer for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. George L. Monahan, Jr., xxx-xx-xxxx, U.S. Air Force.

The following-named officer for appointment to the grade of general on the retired list pursuant to the provisions of title 10, United States Code, section 1370:

To be general

Gen. Larry D. Welch, xxx-xx-xxxx, U.S. Air Force.

The following-named officer for appointment to the grade of general while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be general

Lt. Gen. Robert C. Oaks, xxx-xx-xxxx, U.S. Air Force.

The following-named officer for reappointment to the grade of lieutenant general while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be lieutenant general

Lt. Gen. Joseph W. Ashy, xxx-xx-xxxx, U.S. Air Force.

The following-named officer for reappointment to the grade of lieutenant general while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be lieutenant general

Lt. Gen. Thomas A. Baker, xxx-xx-xxxx, U.S. Air Force.

The following-named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Ronald R. Fogleman, xxx-xx-xxxx, U.S. Air Force.

IN THE ARMY

The following-named officer for appointment to the grade of brigadier general while serving as dean of the Academic Board, U.S. Military Academy, under title 10, United States Code, section 4335(c):

To be brigadier general

Col. Gerald E. Galloway, Jr., xxx-xx-xxxx, U.S. Army.

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Charles W. Brown, [redacted], U.S. Army.

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Allen K. Ono, [redacted], U.S. Army.

The following-named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under title 10, United States Code, section 601(a):

To be lieutenant general

Lt. Gen. Teddy G. Allen, [redacted], U.S. Army.

The following-named officer for promotion to the grade of major general while assigned as Chief of Chaplains, U.S. Army, under title 10, United States Code, section 3036(b):

To be major general

Brig. Gen. Matthew Z. Zimmerman, [redacted], U.S. Army.

The following-named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under title 10, United States Code, section 601(a):

To be lieutenant general

Lt. Gen. Gary E. Luck, [redacted], U.S. Army.

The following-named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under title 10, United States Code, section 601(a):

To be lieutenant general

Maj. Gen. Michael F. Spigelmire, [redacted], U.S. Army.

The following-named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under title 10, United States Code, section 601(a):

To be lieutenant general

Maj. Gen. William H. Reno, [redacted], U.S. Army.

The following-named officer for reappointment to the grade of lieutenant general while assigned to a position of importance and responsibility under title 10, United States Code, section 601(a):

To be lieutenant general

Lt. Gen. August M. Cianciolo, [redacted], U.S. Army.

The following-named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under title 10, United States Code, section 601(a):

To be lieutenant general

Maj. Gen. Billy M. Thomas, [redacted], U.S. Army.

IN THE MARINE CORPS

The following-named officer to be placed on the retired list under the provisions of title 10, United States Code, section 1370:

To be general

Gen. Joseph J. Went, [redacted], USMC.

The following-named officer to be placed on the retired list under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. William G. Carson, Jr., [redacted], USMC.

The following-named officer to be placed on the retired list under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Charles H. Pitman, [redacted], USMC.

The following-named officer for appointment as Assistant Commandant of the Marine Corps and Chief of Staff, Headquarters Marine Corps, and appointment to the grade of general while serving in that position under the provisions of title 10, United States Code, sections 601 and 5044:

To be general

Lt. Gen. John R. Dailey, [redacted], USMC.

The following-named officer to be placed on the retired list under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. William R. Etnyre, [redacted], USMC.

The following-named officer, under the provisions of title 10, United States Code, section 601, for assignment to a position of importance and responsibility as follows:

To be lieutenant general

Maj. Gen. (Sel) Duane A. Wills, [redacted], USMC.

The following-named officer, under the provisions of title 10, United States Code, section 601, for assignment to a position of importance and responsibility as follows:

To be lieutenant general

Maj. Gen. Robert J. Winglass, [redacted], USMC.

The following-named officer, under the provisions of title 10, United States Code, section 601, for assignment to a position of importance and responsibility as follows:

To be lieutenant general

Maj. Gen. Joseph P. Hoar, [redacted], USMC.

The following-named officer, under the provisions of title 10, United States Code, section 601, for assignment to a position of importance and responsibility as follows:

To be lieutenant general

Lt. Gen. Carl E. Mundy, Jr., [redacted], USMC.

IN THE NAVY

The following-named rear admirals (lower half) of the Reserve of the U.S. Navy for permanent promotion to the grade of rear admiral in the line, as indicated, pursuant to the provisions of title 10, United States Code, section 5912:

UNRESTRICTED LINE

To be rear admiral

Rear Adm. (lower half) Wilson F. Flagg, [redacted], U.S. Naval Reserve.

Rear Adm. (lower half) Larry B. Franklin, [redacted], U.S. Naval Reserve.

SPECIAL DUTY OFFICER (INTELLIGENCE)

Rear Adm. (lower half) Gene P. Dickey, [redacted], U.S. Naval Reserve.

The following-named rear admirals in the staff corps of the United States Navy for promotion to the permanent grade of rear admiral, pursuant to title 10, United States Code, section 624, subject to qualifications therefor as provided by law:

MEDICAL CORPS

To be rear admiral

Rear Adm. (lh) Robert Benson Halder, [redacted], U.S. Navy.

Rear Adm. (lh) Robert Walter Higgins, [redacted], U.S. Navy.

SUPPLY CORPS

To be rear admiral

Rear Adm. (lh) Robert Marion Moore, [redacted], U.S. Naval.

Rear Adm. (lh) Harvey Donald Weather-son, [redacted], U.S. Navy.

The following-named officer for appointment to the grade of vice admiral while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be vice admiral

Rear Adm. James G. Reynolds, U.S. Navy, [redacted].

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE AIR FORCE, ARMY, FOREIGN SERVICE, MARINE CORPS, NAVY

Air Force nominations beginning Robert A. Schmitz, and ending Michael E. Catta, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 18, 1990.

Air Force nominations beginning Gerald S. Alonge, and ending Michael A. Williams, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 23, 1990.

Air Force nominations beginning Robert L. Alsleben, and ending Wendall E. Wood, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 23, 1990.

Army nominations beginning Joseph R. Barnes, and ending Lee D. Schinasi, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 10, 1990.

Army nominations beginning Frank Q. Bertagnoli, and ending Dominick A. Minotti, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 16, 1990.

Army nomination of Daniel J. Kaufman, which was received by the Senate and appeared in the CONGRESSIONAL RECORD of May 18, 1990.

Army nominations beginning * Preston L. Funkhouser III, and ending * Stephen M. Downs, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 23, 1990.

Army nominations beginning Jose A. Castillo-cruz, and ending Hernane C. Restar, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 23, 1990.

Army nominations beginning Henry J. Cook III, and ending Alonzo F. Rodriguez, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 23, 1990.

Army nominations beginning Arnold A. Asp, and ending Mark T * Werner, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 23, 1990.

Army nominations beginning Thomas D. Challenger, and ending * Wilbur E. Linton, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of June 6, 1990.

Army nominations beginning Albert D. Cain, and ending William A. Pearce, which nominations were received by the Senate

and appeared in the CONGRESSIONAL RECORD of June 6, 1990.

Foreign Service nominations Emilio Iodice, and ending Lange Schermerhorn which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 18, 1990.

Marine Corps nominations beginning Matthew J. Baker, and ending Brian J. Graniero, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of April 20, 1990.

Marine Corps nominations beginning Charles R. Abney, and ending Richard C. Zilmer, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 10, 1990.

Marine Corps nominations beginning William S. Aitken, and ending Douglas P. Yurovich, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 18, 1990.

Navy nominations beginning Rodante P. Allanigue, and ending John E. Sawyer, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 23, 1990.

Navy nominations beginning Bradley A. Bailey, and ending William J. Mills, Jr., which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of June 6, 1990.

STATEMENT ON THE NOMINATION OF LT. GEN.
CARL STINER

Mr. WARNER. Mr. President, yesterday, the Armed Services Committee approved the nomination of Lt. Gen. Carl Stiner to be promoted to general and commander of the U.S. Special Operations Command subject to confirmation by the Senate. I voted in favor of his nomination.

This nomination generated an unusual amount of interest for several reasons.

General Stiner has a distinguished military record; however, comments both pro and con have arisen regarding his qualifications for this specific command.

The position of commander of the Special Operations Command, perhaps more than any other, requires a unique blend of military operations and diplomatic skills.

The intelligence-gathering authority of the Special Operations Command has been under review and in the process of being more clearly defined. This issue did not involve this nominee's qualifications. Rather, it was raised only in connection with roles and missions of the organization which he was nominated to command.

Following General Stiner's nomination hearing on May 22 in the Armed Services Committee, a number of knowledgeable, credible individuals contacted me on their own initiative regarding their concerns with this nomination.

Subsequently, I contacted a number of persons—primarily senior retired military officers and former diplomats—who had worked closely with General Stiner in his previous assignments.

I also wrote Gen. Colin Powell, Chairman of the Joint Chiefs of Staff,

asking that he provide me with his views of the skills Lieutenant General Stiner would bring to this position. General Powell's strong, supporting comments on Lieutenant General Stiner's qualifications are reflected in his letter to me, and I ask unanimous consent that my letter to General Powell and his letter in response be included in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. WARNER. Mr. President, the importance of this command to our national security dictated this added evaluation.

Because of the intelligence-gathering responsibilities of the Special Operations Command, I and several other Senators raised concerns during our review of the nomination. These concerns were focused primarily on the authority for and the oversight process of intelligence gathering and bore no direct relation to the nominee's qualifications for this command. Some of these concerns were partially resolved by correspondence between the leadership of the Armed Services Committee and the Chairman of the Joint Chiefs of Staff which, with unanimous consent, I also submit for the RECORD, to be included following my remarks.

Other issues regarding control and oversight of intelligence activities within the executive branch are continuing to be reviewed by the Armed Services and Intelligence Committees.

The Special Operations Command was established primarily at the direction of the Congress and should receive strong support from both the executive and legislative branches. Its mission grows daily in importance as the threats to our security, our friends and our allies, shift from large-scale deployments to low-intensity confrontations, many without precedent or parallel in military history.

Our Special Operations Forces and their integral intelligence units deserve special attention because of the complex and difficult missions which they are assigned.

The nature of the jobs at the action levels within Special Operations Forces attracts and produces action-oriented leaders. Due to their critical missions and the high-pressure environment in which they operate, these leaders and commanders must often act quickly—without sufficient time to give full consideration to all the consequences and long-term political impact of their actions.

We must select these commanders carefully. Command presence, clarity, foresight, and firmness are essential attributes for the commanders of these forces.

Based on the strong recommendations of his professional military colleagues and others, coupled with his

consistent record for getting the job done in the most difficult of assignments, I will vote for Lieutenant General Stiner's confirmation.

EXHIBIT 1

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC, June 18, 1990.

Gen. COLIN L. POWELL, USA,
Chairman, Joint Chiefs of Staff,
Pentagon, Washington, DC.

DEAR GENERAL POWELL: As you know, the Senate Armed Services Committee is considering the nomination of Lieutenant General Carl Stiner to be the Commander-in-Chief of the United States Special Operations Command. Lieutenant General Stiner would bring to that position a remarkable record of military leadership and operational accomplishments. When the United States has been confronted with difficult military situations in recent years, we have often turned to Lieutenant General Stiner to command and lead forces needed to deal with those situations. He has always answered the call.

As I said publicly at our Committee's hearing on Lieutenant General Stiner's nomination, the position of CINCSOC requires, perhaps to an extent greater than any other CINC position, a special blend of military operational and diplomatic skills. The President, by his act of nominating Lieutenant General Stiner for this position, has indicated his belief that Lieutenant General Stiner is the right person for this most challenging job. As the President's senior military advisor, you had the opportunity to personally consider the qualifications of various candidates for this position before making your recommendation to the President.

In order to provide a complete record for the Committee's review, would you please provide me with your views of the skills which Lieutenant General Stiner would bring to the position of CINCSOC and which make him the right person for the job. Your personal views on this matter would be helpful to me and to other members of this Committee in reaching our decision on this important nomination.

Sincerely,

JOHN W. WARNER,
Ranking Minority Member.

THE JOINT CHIEFS OF STAFF,
OFFICE OF THE CHAIRMAN,
Washington, DC, June 20, 1990.

Hon. JOHN WARNER,
Committee on Armed Services,
U.S. Senate, Washington, DC.

DEAR SENATOR WARNER: Thank you for your letter of June 18, 1990 asking for my views of the skills which make LTG Stiner the right person to command the United States Special Operations Command.

First, let me endorse in the strongest possible terms your observations concerning Carl Stiner's distinguished accomplishments as a leader and operational commander. On the record, he has no peer in the field of joint special operations. Further, he possesses those characteristics of competence, courage, candor and commitment which this Nation expects and requires of its senior leaders.

General Stiner's performance in four joint duty assignments has been marked by extraordinary skill and insight. First in Saudi Arabia, then as the first Chief of Staff of the Rapid Deployment Joint Task Force, and later on the Joint Staff, his sage advice was constantly sought and his performance

was consistently worthy of the highest praise. He was highly successful in command of the complex and demanding Joint Special Operations Command. His selection as the operational commander for "Just Cause" exemplifies the special trust and confidence placed in his abilities and the resounding success of the operation validates that selection. As a result of his long involvement in special operations he is particularly attuned to the importance of operating within the framework of the Constitution and laws of this country and committed to the principle of civilian control.

In addition to operational skills, the CINCOSOC must possess managerial experience and background to successfully train, equip, and integrate our special operations forces to provide a coordinated and balanced instrument immediately available to the President for the complex and often delicate tasks that will continue to face this Nation. His most recent command experiences clearly demonstrate his ability to handle the day-to-day management issues as well as the long term planning, budgeting and program execution requirements necessary for success as a Unified Commander with unique budgetary and acquisition responsibilities.

Both in your letter and in your remarks at the nomination hearing you expressed the view that the CINC must be a special blend of soldier-diplomat. I agree fully, and assure you that Carl Stiner's extensive experience in political-military affairs and close personal relationship with foreign officials at all levels were significant factors in his selection for this nomination. For example, he has served as a project manager with the Saudi Arabia National Guard and as the Secretary of Defense's personal representative in Lebanon. In addition to his foreign affairs background, General Stiner has had broad experience working with the Congress, presenting numerous briefings and testifying on multiple occasions. These experiences have prepared him well for his role as the senior military spokesman for joint special operations within the Department, before the Congress, with foreign governments, and with the American public.

In addition to my personal recommendation, Carl Stiner has the unanimous support of the Joint Chiefs of Staff, the Secretary of Defense and the President. He is the right person for this job. I urge his immediate confirmation.

Sincerely,

COLIN L. POWELL,
Chairman,
Joint Chiefs of Staff.

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC, June 19, 1990.

Gen. COLIN L. POWELL, USA,
Chairman, Joint Chiefs of Staff,
The Pentagon, Washington, DC.

DEAR GENERAL POWELL: Thank you for making available for our review the proposal submitted by General Lindsay, Commander-in-Chief, U.S. Special Operations Command, concerning oversight of certain military special operations. As you know, General Stiner was not familiar with its contents and thus was not able to comment on it during his confirmation hearing.

We have been informally advised by your staff that you are not supportive of General Lindsay's proposal. We continue to see media reports, however, that the proposal is still under active consideration within the Department of Defense. Moreover, Secre-

tary Cheney is reportedly unable to categorically state that he would disapprove the proposal since he has not been briefed on it. The Committee, therefore, would like your statement for the record concerning your position on General Lindsay's proposal.

We appreciate your cooperation on this matter.

Sincerely,

SAM NUNN,
Chairman,
JOHN W. WARNER,
Ranking Member.

OFFICE OF THE CHAIRMAN,
THE JOINT CHIEFS OF STAFF,
Washington, DC, June 20, 1990.

HON. JOHN WARNER,
Committee on Armed Services,
U.S. Senate, Washington, DC.

DEAR SENATOR WARNER: Thank you for your letter of June 19, 1990 inquiring about the status of a proposal I received from General Jim Lindsay, CINCOSOC, concerning the clandestine special operations coordination process. As you know, I welcome and encourage the continuing flow of proposals and recommendations from the Combatant Commanders.

I carefully considered this proposal and decided not to recommend it to the Secretary of Defense. Accordingly, I informed Secretary Cheney that I will not forward the proposal and have notified both General Lindsay and Lieutenant General Stiner, CINCOSOC designee of my decision.

An identical letter has been sent to Senator Nunn.

Sincerely,

COLIN L. POWELL,
Chairman,
Joint Chiefs of Staff.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now resume legislative session.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Kalbaugh, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on the Judiciary.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 11:59 a.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following joint resolutions, without amendment:

S.J. Res. 315. Joint resolution for the designation of July 22, 1990, as "Rose Fitzgerald Kennedy Family Appreciation Day"; and

S.J. Res. 320. Joint resolution designating July 2, 1990, as "National Literacy Day."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LEAHY, from the Committee on Agriculture, Nutrition, and Forestry, with an amendment in the nature of a substitute and an amendment to the title:

S. 1245. A bill to amend the Federal Meat Inspection Act to expand the meat inspection programs of the United States by establishing a comprehensive inspection program to ensure the quality and wholesomeness of all fish products intended for human consumption in the United States, and for other purposes (Rept. No. 101-335).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HARKIN (for himself, Mr. EXON, and Mr. PRYOR):

S. 2776. A bill to provide for the development and dissemination of educational materials regarding the American flag; to the Committee on Labor and Human Resources.

By Mr. HEINZ:

S. 2777. A bill to authorize civil actions for certain violations involving depository institutions; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. WILSON:

S. 2778. A bill for the relief of Shen-Yen Kuan and certain members of his family; to the Committee on the Judiciary.

By Mr. INOUE (for himself and Mr. KASTEN):

S. 2779. A bill entitled the "Iraq Sanctions Act of 1990"; to the Committee on Foreign Relations.

By Mr. DECONCINI (for himself, Mr. GRASSLEY, Mr. ARMSTRONG, Mr. BRADLEY, Mr. BREAUX, Mr. WARNER, Mr. WALLOP, Mr. KENNEDY, Mr. PRESSLER, Mr. SARBANES, Mr. ROTH, Mr. GORE, Mr. LUGAR, Mr. REID, Mr. CONRAD, Mr. SASSER, Mr. LEVIN, Mr. LAUTENBERG, Mr. MURKOWSKI, Mr. JEFFORDS, Mr. SHELBY, Mr. WIRTH, Mr. COCHRAN, Mr. BOREN, Mr. METZENBAUM, Mr. CHAFEE, Mr. MACK, Mr. GLENN, Mr. BURDICK, Mr. DOLE, Mr. KOHL, Mr. AKAKA, Mr. BIDEN, Mr. INOUE, Mr. HEINZ, Mr. ROBB, Mr. ROCKEFELLER, Mr. PELL, Mr. D'AMATO, Mr. DIXON, Mr. RIEGLE, Mr. MOYNIHAN, Mr. GRAHAM, Mr. WILSON, Mr. MCCLURE, Mr. COATS, Mr. SIMPSON, Mr. ADAMS, Mr. BAUCUS, Mr. BINGAMAN, Mr. BRYAN, Mr. BUMPERS, Mr. CRANSTON, Mr. DASCHLE, Mr. FORD, Mr. FOWLER, Mr. HARKIN, Mr. HEFLIN, Mr. HOLLINGS, Mr. JOHNSTON, Mr. LEAHY, Mr. MITCHELL, Mr. NUNN, Mr. PRYOR, Mr. SANFORD, Mr. SIMON, Ms. MIKULSKI, Mr. LIEBERMAN, Mr. BOND, Mr. KERRY, Mr. SPECTER, Mr. THURMOND, Mr. HATFIELD, Mr. DOMENICI, Mr. COHEN, Mr. BOSCHWITZ, Mr. STEVENS, Mr. DODD, Mr. LOTT, and Mr. HATCH):

S.J. Res. 339. Joint resolution to designate August 1, 1990, as "Helsinki Human Rights Day"; to the Committee on the Judiciary.

By Mr. WILSON:

S.J. Res. 340. Joint resolution designating the week beginning November 11, 1990, as "National Disabled Veterans Week"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HARKIN (for himself, Mr. EXON, and Mr. PRYOR):

S. 2776. A bill to provide for the development and dissemination of educational materials regarding the American flag; to the Committee on Labor and Human Resources.

FLAG EDUCATION ACT

Mr. HARKIN. Mr. President, in the days since the flag-burning decision came down from the Supreme Court, there has been far too much heat and far too little light on the topic of the American flag.

I have listened with a heavy heart to those whose solution to the despicable act of the burning of the flag would be to change our Bill of Rights.

I have also listened to those who, like me, have grave reservations about tampering with our first amendment freedoms. The more I listened, the more I have been convinced of the need for a more rational and constructive approach to what has become an emotionally charged and politically loaded issue.

Mr. President, I have come to believe strongly that the best way to foster respect for our flag is to ensure that no American is unaware of its place in our history or the freedoms for which it stands. Why do we salute and pledge our allegiance to it? Why is it displayed according to strict procedure? Why is any desecration of it an offense to all of us.

The answers to these questions may seem self-evident. Yet, how often we take for granted the things we value the most: family, country, flag.

The flag symbolizes principles we cherish the most—freedom, liberty, and individual rights. But just as those values sometimes get lost in the hubbub of our daily lives, so too does the recognition of the document which so eloquently sets them forth, the Bill of Rights.

During the 200 years that the Bill of Rights has brought to life and guarded these principles, it has never been changed or amended; not once in 200 years. The bill of Rights has stood the test of time. Yet, many Americans may not know that or understand why.

So, Mr. President, today I am introducing the Flag Education Act of 1990.

This bill would authorize the Secretary of Education to develop and widely disseminate educational materials on the American flag, its history, significance, traditions, and impor-

tance as an enduring symbol of American democracy. The bill also authorizes dissemination of similar materials on the Bill of Rights.

Mr. President, since it is a simple bill, I am going to read the bill in its entirety.

This act may be cited as the "Flag Education Act of 1990."

Sec. 2. Educational materials.

The Secretary, through the Secretary's Fund for Innovation in Education, described in 4601 of the Elementary and Secondary Education Act of 1965, shall develop and disseminate educational materials regarding the American flag, its history, significance, traditions, and importance as an enduring symbol of American freedom and democracy; and also regarding the Bill of Rights, its historical development, and meaning to American freedom and democracy.

Such materials shall be suitable for students at all levels of education, including elementary, secondary, postsecondary and adult education. The Secretary shall ensure that such educational materials are widely disseminated.

Mr. President, because we seek to reach not only our children but adults as well, these materials are to be suitable for use, as I said, in elementary, secondary, postsecondary, and adult education. This bill does not require the Department of Education to step into uncharted waters in the development and dissemination of these materials.

I serve on the Education Authorizing Committee under the very able and distinguished chairmanship of Senator KENNEDY from Massachusetts. I also have the honor and privilege of chairing the Appropriations Subcommittee that appropriates the money for the Department of Education.

I checked into it, and I found that the Department has been very active in curricular guidance in other important areas for over a decade. For instance, the Department of Education supports the dissemination of a curricula entitled "Facing History," an excellent program designed to teach students about the Holocaust and its impact on world history.

Mr. President, there is no development nor dissemination of materials designed to educate our young people on the flag, its significance, traditions, history, and importance to American freedom and democracy. So that is what this bill is designed to do. It is to get the Secretary to go ahead and disseminate these materials.

Mr. President, history shows that patriotism, respect for the flag, and adherence to constitutional principles are best learned from the grassroots up, not dictated from on high. If they are not embedded in the hearts and minds of the people, no law can make them so.

Thomas Jefferson was one Founding Father who repeatedly recognized the role that education plays in strengthening this appreciation of education to

our democracy. Let me quote from Thomas Jefferson:

I know of no safe depository of the ultimate powers of the society but the people themselves. And if we think them not enlightened enough to exercise their control with a wholesome discretion, the remedy is not to take from them, but to inform their discretion by education.

So the Flag Education Act of 1990 seeks not to take away freedom of speech or expression but to impart a deep and abiding understanding of the flag's history and importance for all Americans.

I want to note this bill takes as its starting point a message voiced by a former Republican Member of the House of Representatives, former Congressman Fred Schwengel, who served Iowa's First District so well for so many years. There are very few people around here who do not know Fred Schwengel. After leaving Congress, Congressman Schwengel was not content to leave his knowledge of this institution and its history behind. As head of the U.S. Capitol Historical Society, a nonprofit organization formed in 1962, Fred has organized and promoted programs which heighten public awareness of historic events which shape the destiny of our Nation. He and the society have spread far and wide valuable information about the Congress and the Capitol.

Mr. President, If you have never taken Congressman Schwengel's famous tour through the Capitol, then you have a real treat in store, and I encourage you to do so. It is one of the most enlightening and enjoyable experiences you can have.

When Fred Schwengel heard last week the call for a flag amendment to the Constitution, he said:

Periodically we need to be reminded of the meaning of our national symbols, of which the United States flag is chief. It is too easy for us to let the flag become just a symbol and the Pledge of Allegiance just words. The recent Supreme Court ruling should prompt us to teach the meaning of the flag and the Pledge of Allegiance. More than an amendment, education is the most appropriate response to the flag issue.

That is a quote from Congressman Fred Schwengel, president of the Capitol Historical Society.

Once again, Fred Schwengel is on the right track. His words have helped to inspire this legislation, just as he has inspired me and countless others with his words so many times before.

Fred Schwengel does not just talk, he acts. In an effort to promote further flag education, the Capitol Historical Society has introduced two new publications and plans for new programs.

A poster and booklet set is now available entitled "The Flag Portrait Set." The poster features a moving patriotic message written by Fred Schwengel.

The booklet is entitled "The Flag of the United States and State Flags, Seals, and Mottoes." It includes a history of the U.S. flag, the Great Seal, the Pledge of Allegiance as well as the flags, seals, and mottoes of the 50 States.

The Historical Society also plans to cosponsor a speech and essay contest with the National Flag Day Foundation, Inc., which will challenge youth across the Nation to ponder the reasons we honor the flag.

While I have known and been a member of the Capitol Historical Society for many years, I have only recently learned about the Flag Day Foundation which is headquartered in Baltimore. It is a nonprofit organization formed in 1982 by Mr. Lou Koerber, a man whose dedication and patriotism know no end, and which conducts year-round educational programs nationwide in promotion of National Flag Day.

The foundation is committed to providing an educational opportunity to help people of all ages better understand the history and origins of the flag.

The foundation consists almost entirely of volunteers. With very few dollars but with boundless energy, the foundation provides assistance and information for the development of National Flag Week events to school systems, all levels of government, and to many other organizations. The educational programs sponsored by this foundation encourage patriotism and respect for our flag as the symbol of our country. Just last week, to celebrate Flag Day, the foundation brought students and education agency representatives from every State to Baltimore and Washington to participate in many activities.

I know that Mr. Koerber and the other individuals involved with the Flag Day Foundation only wish that hundreds of thousands of others can have the same kind of learning experience, because education like this can help countless individuals gain a better understanding and appreciation of our national symbol.

Another group I have recently become aware of is the Flag Foundation, headquartered in Pittsburgh. Its mission is to stimulate America's dedication to freedom, to promote love of, and pride in America among its citizens, and to answer questions about flag etiquette and protocol. Among its other activities, the foundation states that it has distributed hundreds of thousands of flags, articles, booklets, and other items dealing with the flag and other patriotic subjects among schoolchildren and adults throughout the country.

Through the hard work of organizations like the U.S. Capitol Historical Society, the National Flag Day Foundation, and the National Flag Founda-

tion, it is apparent that positive flag education can be successful. But as fine a job as these organizations are doing, they are barely scratching the surface in terms of reaching young people throughout this country.

That is why I have introduced this bill, Mr. President. I hope that the Secretary of Education, in implementing the legislation I introduce today, will draw upon the expertise of these groups.

Mr. President, I will have more to say on the matter of the proposed constitutional amendment at a later time. But today, however, I want to speak about education as an alternative, a constructive and positive alternative, to the divisive debate that has been taking place on this proposed constitutional amendment. Today I want to encourage my colleagues to examine and cosponsor this legislation. It is time we channel our passions on this issue into positive action, action that can do far more to discourage the desecration of the flag than destroying the most precious freedoms which countless Americans have fought and died for.

Mr. President this bill I am introducing today I ask Senators to examine closely. As I said, it is a very short bill. It is to provide for the development and dissemination of educational materials regarding the American flag by the Secretary of Education, who can use the fund that he already has called the fund for innovation and education, which is described in the Elementary and Secondary Act. As I said before, the Secretary does support development and dissemination of materials in other areas but, as I examine it, they have not been doing so with regard to the flag and the Bill of Rights.

So I am proud to introduce this legislation. I am proud to have as cosponsors right now Senator Exon and Senator PRYOR.

The bill will be at the desk, and, of course, I encourage Senators, who would like to see more education on the flag through elementary, secondary, postsecondary, adult education, sponsored by the Department of Education. We are not mandating or prescribing, but encouraging the Secretary to work with the various volunteer organizations, some of whom I mentioned, some of whom I may not even be aware of, in developing these materials and getting them out.

Mr. President, I was alarmed the other day. I was talking to a group of young people, about 30 or 40 bright young high school kids. I was asking them about the flag. I asked a couple of questions about the history of the flag. I asked a couple of questions about the Bill of Rights. What was the Bill of Rights? Where did it come from? I am sad to say, Mr. President, I saw blank stares. No one knew.

I asked the question, "What do the 50 stars stand for?" one time to a group of young people. I only had one person give me an answer. That is a woeful lack of education about the history of our flag and what it stands for.

I can understand passions of people. I feel them myself when I see someone burn the flag. But to reach adulthood, to pledge allegiance to a symbol, and not even know what that symbol stands for, the background, the history and tradition surrounding it I think leaves us open to all kinds of demagoguery on this issue.

So I believe, as does former Congressman Fred Schwengel, president of the Capitol Historical Society, the best answer is not to amend the Bill of Rights, which has not been amended in 200 years. The best answer is to get education out there.

The Department of Education right now is not doing that. This bill seeks to get the Secretary to use the fund for innovation, to get information about the flag and the Bill of Rights out on a broader basis throughout the country so our young people and the schools have the educational materials they need to give them a deep, abiding love of, and appreciation for the flag, what the flag stands for, as well as the Bill of Rights, its historical significance, and its meaning to freedom and democracy in this country.

By Mr. HEINZ:

S. 2777. A bill to authorize civil actions for certain violations involving depository institutions; to the Committee on Banking, Housing, and Urban Affairs.

CIVIL ACTION FOR CERTAIN DEPOSITORY INSTITUTION VIOLATIONS

Mr. HEINZ. Mr. President, last week I came to the floor of the Senate to state my view that the Senate needed to consider, as part of the omnibus crime bill, a package of tough amendments that would focus on the crimes committed against the taxpayers resulting from the savings and loan crisis.

We have been regaled with stories of savings and loan managers and others who had blatant conflicts of interest, defrauded banks and savings and loans depositories and who engaged in every kind of reprehensible conduct in order to enrich illegally their friends and themselves by looting institutions with which they had some connection or clout.

That is why last week I indicated that this Senator would continue to oppose cloture on the crime bill until it was possible to consider amendments that, at a minimum, dealt with this problem. As I indicated last week, I do intend to propose, and I am confident that there will be the opportunity to propose to the crime bill, a single comprehensive amendment that will

give our law enforcement community, the RTC, and our bank regulators enhanced powers and a newly energized mission in holding to account those who have stolen so much from these institutions and from our taxpayers.

Those provisions, as I indicated, would make it impossible for those who looted the S&L's to seek to shelter for themselves or their assets in bankruptcy. We would provide additional resources for the Internal Revenue Service and for the Federal Bureau of Investigation totaling \$25 million, in addition to the \$75 million that Congress has already authorized to combat savings and loan fraud.

We will provide for enhanced inter-agency coordination, so that all the resources of our Government, not just those in the Justice Department, not just those at the RTC, but those at the Internal Revenue Service, at the Secret Service, at all our agencies that have investigatory capability, will be targeted and directed toward savings and loan fraud.

My amendment will give the claims to the Federal Government a priority so that the taxpayer stands first in line, not at the end or in the middle of the pack, where you might find shareholders and others who ultimately should bear the responsibility for the performance of the management that they voted to elect.

We will have expedited procedures so that cases move more quickly through the courts and prosecutions more rapidly pursued. We will also enhance the authority of the FDIC and the RTC to issue subpoenas to assist in ferreting out stolen assets. We will have new authority to obtain restraining orders to freeze assets and overturn fraudulent conveyances of assets.

We will make the concealment of assets from the RTC a Federal crime and enhance the authority for wire-tapping and for money laundering and to compel restitution.

In short, this will be a very comprehensive package that, as I announced last week, we will be pursuing on the crime bill.

But one issue that I think we need to address, at the same time as we are mobilizing the agencies of Government to prosecute those who perpetrated the greatest scandal in our history, I also believe that we need to harness the private sector to attack the abuses and misuses of the public trust with the proper mechanism and incentives.

From the beginning of this crisis going back to last year, I have sought to provide the Government with the tools needed to recover these billions of dollars that were stolen, and I have also supported efforts to find new and innovative legal weapons to use against these perpetrators. But it is also time to harness the resources of

the private sector to recover funds for the taxpayer.

Since feudal times, there has been a right of private citizens, when so authorized by their government, to bring lawsuits in the name of the government. There is a name for those proceedings. They are called *qui tam* actions, and we have used them in this country on numerous occasions. They were most recently authorized by Congress as part of the effort to prosecute defense procurement fraud. They were originally authorized during the Civil War, back in the 1860's, to help prosecute, even then, fraud relating to Government procurement. Today these private civil actions are currently authorized under the False Claims Act.

What I intend to do is file at the desk a bill to expand the False Claims Act model to combat savings and loan fraud.

I call this the bounty hunters statute. Just as in the old days when our lawmen either lacked the resources or lacked the jurisdiction, private individuals were authorized to go out and bring back, dead or alive, criminals who broke the law. They were given an incentive. They were given a bounty to go out and bring the murderer, the kidnaper, the bank robber back to justice.

Today, we do not have hired gunslingers to go out and bring in people for arrest and prosecution. But we do have hired legal guns, among the best and the brightest of the legal community in terms of ability; lawyers who are outstanding when it comes to getting a recovery, both for their clients as well as for themselves.

These lawyers typically operate on a contingent fee basis, and they are very good at what they do. In fact, they are so good that we often find here in the Congress people coming to us and saying, "We are being driven out of business by lawyers."

"We cannot stand all these medical malpractice claims that are driving up the cost of health care." "We cannot stand the cost of these product liability suits." How many of us have heard that from manufacturers in this country? Whatever anyone's position on malpractice and tort reform and product liability may be, there is no doubt that lawyers on a contingent fee are aggressive, even unstoppable. It is probably accurate to say that Hell knoweth no fury like a lawyer on a contingent fee.

I want to unleash the contingent fee lawyers of this country, against the savings and loan crooks and con artists. That, to me, Mr. President, is about as tough a stand as we could make. I would not want to be hunted down by one of these lawyers, and I cannot think of anybody who deserves them more than the savings and loan thieves who have looted the Federal

Treasury. So this bounty hunter proposal would unleash the best, and certainly the toughest, lawyers in America to file civil lawsuits to recover funds for bank fraud.

In FIRREA, Congress authorized the Department of Justice to bring civil actions for bank fraud and to recover civil penalties of \$1 million or more, depending on the amount gained by the guilty party. My bounty hunter proposal, which I ask my colleagues to support, would authorize private parties to bring these actions and earn a percentage of the amount recovered for their efforts. With more than 7,000 pending bank fraud investigations and hundreds of failed institutions, the Government does need all the help it can get. The bounty hunter proposal I will shortly send to the desk is designed to give the Government that help.

Let me take a moment to discuss how such a proposal works and why it works very differently than what we have today.

There is in FIRREA a reward for people who come forward with information about bank fraud. That is good and it is helpful. But when someone comes forward to turn in information and to get that reward, they take a very tangible and real risk. They may get fired. They may get harassed. Worse things than that may happen to them. So they look at the possibility of some reward and they look at the possibility of punishment. They look at the risks. They know they are going to have to go to a Government agency? They may be called to testify before a grand jury, and they may face hostile cross-examination at some point along the way. Even if a proceeding is supposed to be secret, word may get out, and they feel very exposed. So there are disincentives for people to use that incentive we have created.

What the bounty hunter provision does is to give these people, in effect, some free help, a free lawyer, one of the toughest and most aggressive that we have. In doing so, by authorizing a percentage of recovery that might be as little as 10 percent or as much as 30 percent of what is recovered, the rest going to the Government and the taxpayer, we will get that individual the kind of support and legal talent to expose that fraud, in a way the Government will never be able to do.

The goal, therefore, is to not only get people who have information about fraud, but to link them with others—tough lawyers—who will help them get suits filed before statutes of limitation expire.

Mr. President, there are plenty of concerns I know the people in the Justice Department will express about any bounty hunter statute. I do not propose to go into their concerns at this time. Some may have merit. Some

I disagree with. But what is clear to me is that a proposal like this needs to be advanced. A statute like this needs to be enacted. We have, within the memory of most of us in this body, in fact, acted to put into law such a statute as we did with Senator GRASSLEY's qui tam provisions a few years ago which were aimed at defense fraud and procurement. It is time for us to take a program that has worked, fashion it to the special circumstances of the savings and loan crisis and give it the full force of law so that citizens pursuing those things that the Government is otherwise unable to do is not just a hope but becomes a reality.

By Mr. INOUE (for himself and Mr. KASTEN):

S. 2779. A bill entitled the "Iraq Sanctions Act of 1990"; to the Committee on Foreign Relations.

IRAQ SANCTIONS ACT

● Mr. INOUE. Mr. President, today I am introducing a bill designed to limit United States trade and investment with the country of Iraq. I am taking this step because of the growing threat I believe Iraq poses to United States overseas interests, as well as the threat posed to the peace and security of the Middle East.

If enacted, my bill will take two principal actions. It will prohibit appropriated funds from being used to support exports to Iraq and it will impose upon Iraq the status of a terrorist nation.

Mr. President, Iraq's persistence in acquiring the latest nuclear, biological, chemical and ballistic missile technology places it among that select group of nations with the capacity, and the determination, to disrupt our lines of communication through Asia, challenge American influence in the Middle East and upset the regional balance of power. These weapons are being added to an already massive conventional armed force. Iraq currently deploys 55 divisions and 1.1 million men under arms, by far the largest standing army in the Middle East. Iraq alone accounts for 9 percent of all the weapons purchases in the world today.

Yet, in spite of this huge arsenal, Iraq is aggressively seeking weapons with a continental reach and the capacity to annihilate whole countries. They are weapons that have only an offensive use and no adequate countermeasures. They do not permit any discrimination among civilian and combatant populations. Their effect, once used, can last for generations. The deployment of these weapons is surely not proportional to the kinds of attack Iraq might reasonably expect from its neighbors.

Mr. President, Iraq's actions raise serious questions about the ultimate intentions of its President, Saddam Hussein, who as recently as this month, publicly boasted he would annihilate half of Israel with poison gas if his

country were attacked. As a nation we would be wise to take these words seriously. Saddam Hussein has shown no hesitancy in using weapons of mass destruction when it suited his purpose. In 1988 he ordered the use of mustard gas against Iranians during the Gulf war and against his own Kurdish minority. In doing so, he blatantly ignored the Geneva protocol of 1925 prohibiting the use of such agents—a protocol which Iraq signed in 1931. According to Amnesty International, at least 6,000 people perished as a result of these attacks—many thousands more were injured and will suffer permanent and painful disability. One can only assume Iraq would not hesitate to use such weapons again if given even the slightest provocation. It is a specter too horrible to contemplate.

Mr. President, Iraq has exhibited a similar disregard for the 1972 Biological Weapons Convention which it signed, but did not ratify. Many experts have noted that Iraq is working aggressively to acquire an offensive biological weapons capability and may have illegally obtained toxins from the United States for just that purpose. As recent reports indicate, Iraq has shown no less an interest in the acquisition of nuclear weapons technology to supplement its already lethal arsenal of state-of-the-art weaponry.

Mr. President, today I ask that the Senate consider my bill, which would end most direct and indirect support for a country which knows no restraint in its international behavior, shows little regard for noncombatants or the basic human rights of its own citizens. This is hardly a regime whose assurance we can trust—or would want to trust—with the peace of the region.

Mr. President, recently I addressed the question of our declining military budget and the policy, I believe, that should guide this Nation through the tumultuous years of the 1990's and beyond. I spoke directly of low intensity threats emanating from the developing world, the spread of modern weapons technologies, and their ready availability to terrorists, local insurgencies, and anti-Western regimes bent on eroding the confidence and ability of the United States to defend its interests.

Gradually the world is awaking to the danger of Iraqi military power. Recently, even the European Parliament, a body little accustomed to diplomatic outrage, called on "all Member States immediately to impose a ban on the export and delivery to Iraq of all material essential for the production of weapons of mass destruction." This declaration was coupled with a condemnation of Iraqi human rights abuses, genocidal use of poison gas against the Kurds, and war-like statements against states in the region. The Parliament called upon the U.N. Secretary General to convene a meeting

of the Security Council to take up the threat posed by the Iraqi regime to world security.

Will the American people continue to blithely go about their business and ignore these obvious contradictions? Will they continue to believe that the threat of nuclear, biological and chemical war has receded simply because the Soviet Union has shown a kinder face? I do not believe they will. My bill is intended to put an end to this gross inconsistency in our foreign policy and the abuse of American generosity which the actions of the Iraqi regime have so clearly demonstrated. ●

● Mr. KASTEN. Mr. President, I am pleased to join my esteemed colleague, the senior Senator from Hawaii, in offering legislation which would embargo all commercial relations, both trade and investment, with Iraq.

This legislation is meritorious, timely and of critical importance to our national security. As statesmen across Europe herald the rise of freedom there, many of us are concerned that a growing threat to security is developing in the Middle East. In recent years, the brutal government of Saddam Hussein has embarked on a campaign of rapid militarization which includes the acquisition, by whatever means possible, of weapons of mass destruction. These weapons include those which use nuclear, biological, and chemical warheads to bring about the total annihilation of an adversary. Just recently, Hussein brazenly declared that he had the capability to destroy Israel with chemical weapons if his country were attacked. Mr. President, how long will our government sit passively and allow Saddam Hussein to intimidate and threaten his neighbors? How many more Iraqi Kurds and Iranians have to be killed with poison gas deployed by the butchers of Baghdad before the world takes notice? Well, today, Senator Inouye and I are taking notice, and are urging the Congress to act. Our legislation strikes at the outrageous granting by our Government of over \$1.2 billion in trade benefits to Iraq last year. Most of these benefits come in the form of credits and guarantees provided through the Department of Agriculture's Commodity Credit Corporation. Currently, the Department of Justice is investigating allegations that through an elaborate overpricing scheme, money provided by the American taxpayer and channeled through this program, was used by the Iraqis to acquire their terrible arsenal of weapons. The total amount of misallocated USDA dollars could total as high as \$3 billion.

Equally disturbing is the fact that approximately \$200 million in Export-Import Bank Credits were provided to Iraq last year after reports surfaced that the Iraqi Government was sys-

tematically torturing children in its prisons and that it engaged in assassination of overseas opponents of Saddam Hussein. One of these opponents was living in San Diego.

If this list of outrages is not enough, we have only to look at the Iraqi attack on the U.S.S. *Stark* as it was peacefully patrolling the Persian Gulf several years ago, or efforts by the Iraqis to acquire long-range ballistic missiles with the capacity to strike as far as the Mediterranean and the U.S. 6th Fleet, to discover the true nature of Saddam Hussein's regime.

Mr. President, to those who would counsel caution at this time, we say, wake up. The world has given Saddam Hussein ample time to reform his barbaric behavior, and he has shown no inclination to do so. It is not enough that our allies have been responsible for providing Iraq with the major technologies used in its chemical, biological, and nuclear weapons programs. Must the American taxpayer be an accessory to these crimes as well? At the very time we are laboring to provide funds to aid refugees in the Middle East, be they Soviet Jews, Afghans, Kurds, or Armenians, must we also provide the means for Iraq to obliterate them? I should hope not. The world does not need another Holocaust. Let us act now before we are forced to confront our own laxity.

The bill we introduce today is an effort to end United States complicity in the madness of weapons proliferation. Its enactment would be fully consistent with previous actions taken by this body, be they Turkish sanctions over the Cyprus invasion of 1974, or the Anti-Apartheid Act of 1986. I trust today that our colleagues will find the courage to act before it is too late. History and future generations are watching what we do. ●

By Mr. DeCONCINI (for himself, Mr. GRASSLEY, Mr. ARMSTRONG, Mr. BRADLEY, Mr. BREAUX, Mr. WARNER, Mr. WALLOP, Mr. KENNEDY, Mr. PRESSLER, Mr. SARBANES, Mr. ROTH, Mr. GORE, Mr. LUGAR, Mr. REID, Mr. CONRAD, Mr. SASSER, Mr. LEVIN, Mr. LAUTENBERG, Mr. MURKOWSKI, Mr. JEFFORDS, Mr. SHELBY, Mr. WIRTH, Mr. COCHRAN, Mr. BOREN, Mr. METZENBAUM, Mr. CHAFEE, Mr. MACK, Mr. GLENN, Mr. BURDICK, Mr. DOLE, Mr. KOHL, Mr. AKAKA, Mr. BIDEN, Mr. INOUE, Mr. HEINZ, Mr. ROBB, Mr. ROCKEFELLER, Mr. PELL, Mr. D'AMATO, Mr. DIXON, Mr. RIEGLE, Mr. MOYNIHAN, Mr. GRAHAM, Mr. WILSON, Mr. McCLURE, Mr. COATS, Mr. SIMPSON, Mr. ADAMS, Mr. BAUCUS, Mr. BINGAMAN, Mr. BRYAN, Mr. BUMPERS, Mr. CRANSTON, Mr. DASCHLE, Mr. FORD, Mr.

FOWLER, Mr. HARKIN, Mr. HEFLIN, Mr. HOLLINGS, Mr. JOHNSTON, Mr. LEAHY, Mr. MITCHELL, Mr. NUNN, Mr. PRYOR, Mr. SANFORD, Mr. SIMON, Ms. MIKULSKI, Mr. LIEBERMAN, Mr. BOND, Mr. KERRY, Mr. SPECTER, Mr. THURMOND, Mr. HATFIELD, Mr. DOMENICI, Mr. COHEN, Mr. BOSCHWITZ, Mr. STEVENS, Mr. DODD, Mr. LOTT, and Mr. HATCH):

S.J. Res. 339. Joint resolution to designate August 1, 1990, as "Helsinki Human Rights Day"; to the Committee on the Judiciary.

HELSINKI HUMAN RIGHTS DAY

Mr. DeCONCINI. Mr. President, as chairman of the Commission of Security and Cooperation in Europe, known as the Helsinki Commission, I am pleased to introduce today, together with 79 of my colleagues, a joint resolution that authorizes and requests the President of the United States to designate August 1, 1990, as "Helsinki Human Rights Day."

Fifteen years ago, on August 1, 1975, representatives from 35 countries joined together in signing the Final Act of the Conference on Security and Cooperation in Europe [CSCE], commonly referred to as the Helsinki accords. This agreement covers every aspect of East-West relations, including military security, scientific and cultural exchanges, trade and economic cooperation, as well as human rights and human contacts.

The CSCE participating states, which includes all the European nations—except at this time Albania—the Union of Soviet Socialist Republics, Canada, and the United States, have made a commitment to adhere to the principles of human rights and fundamental freedoms as embodied in the Helsinki accords. The principles contained in these accords require the participating states to "respect human rights and fundamental freedoms, including the freedom of thought, conscience, religion or belief, for all without distinction as to race, sex, language or religion." They further address a principle which is central to the underlying purpose of the Helsinki agreement; the unrestrained movement of people, ideas, and information.

This year, my colleagues and I are introducing Helsinki Human Rights Day in a greatly changed climate. Throughout 1989, given the dramatic historical changes in the Soviet Union and Eastern Europe, we have witnessed substantial improvements in compliance by many signatory nations.

There can be little doubt that the Helsinki process, in general, has been instrumental in focusing attention on human rights. As a result, it has improved tangibly the lives of millions of people in the Soviet Union and Eastern Europe. The flow of people and

ideas is gradually widening, and the prison gates have opened to those who were previously sentenced for calling on their governments to live up to their commitments under the Helsinki accords. The once formidable intellectual, spiritual, and physical barriers between East and West are now weak and slowly crumbling.

These changes are dynamic. Nine years ago, many Americans placed lighted candles in their windows to protest the imposition of martial law in Poland and the outlawing of Solidarity. Today Solidarity dominates the political scene of Poland.

In June 1989, Solidarity swept the elections in Poland, claiming every open seat but one. In August 1989, I led a congressional delegation to that country. I was in the parliamentary chamber when a former political prisoner was sworn into office as Poland's new Prime Minister. Tadeusz Madowiecki was the first non-Communist Prime Minister any East European country has had in over 40 years.

Vaclav Havel, a world-renowned Czechoslovakian playwright who spent time in prison for his human rights activities, has been elected as the President of Czechoslovakia. In East Germany the Berlin Wall has crumbled. Free and fair elections are being held throughout Eastern Europe and the Soviet Union.

These improvements are a testament to the efficacy of the Helsinki process and are, according to many leading East Europeans, in part due to the consistent and persistent pressure from the West and from the U.S. Congress. We can be proud of our record of strong support for the Helsinki process, and one of the reflections of our support has been the annual Helsinki Human Rights Day resolution.

Despite the positive changes that have taken place since the Helsinki accords were signed, our goal toward the realization of an ultimately free, open, and humane Europe has not been met. For example, the human rights situation in Romania remains a matter of grave concern to us all.

We believe it is important, therefore, that the President reaffirm the United States' commitment to the Helsinki accords and convey to all signatories that respect for human rights and fundamental freedoms is a vital element of continuing progress in the ongoing Helsinki process.

This resolution requests the President to continue his efforts to achieve full implementation of the human rights and humanitarian provisions of the Helsinki accords by raising the issue of noncompliance on the part of any CSCE state which may be in violation. It further requests the President, in view of the considerable progress made to date, to develop new proposals to advance the human rights objec-

tives of the Helsinki process, and in so doing address the major problems that remain, including the question of self-determination of peoples.

By proclaiming August 1, 1990, as "Helsinki Human Rights Day," we reaffirm our commitment to the principles governing the Helsinki accords, principles that mirror those upon which our own Constitution is based.

I urge each Member of this body to support this resolution and I ask unanimous consent that the text be printed in the RECORD at this point.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 339

Whereas August 1, 1990, is the fifteenth anniversary of the signing of the Final Act of the Conference on Security and Cooperation in Europe (CSCE) (hereafter in this preamble referred to as the "Helsinki accords");

Whereas on August 1, 1975, the Helsinki accords were agreed to by the Governments of Austria, Belgium, Bulgaria, Canada, Cyprus, Czechoslovakia, Denmark, Finland, France, the German Democratic Republic, the Federal Republic of Germany, Greece, the Holy See, Hungary, Iceland, Ireland, Italy, Liechtenstein, Luxembourg, Malta, Monaco, the Netherlands, Norway, Poland, Portugal, Romania, San Marino, Spain, Sweden, Switzerland, Turkey, the Union of Soviet Socialist Republics, the United Kingdom, the United States of America, and Yugoslavia;

Whereas the participating States have committed themselves to balanced progress in all areas of the Helsinki accords;

Whereas the Helsinki accords recognize the inherent relationship between respect for human rights and fundamental freedoms and the attainment of genuine security;

Whereas the Helsinki accords also express the commitment of the participating States to "respect human rights and fundamental freedoms, including the freedom of thought, conscience, religion or belief, for all without distinction as to race, sex, language or religion";

Whereas the Helsinki accords also express the commitment of the participating States to guarantee the effective exercise of human rights and fundamental freedoms which derive from the inherent dignity of humanity and are essential for the free and full development of that dignity;

Whereas the participating States have committed themselves to "protect and create the conditions for the promotion of the ethnic, cultural, linguistic and religious identity of national minorities on their territory," as well as to "respect the free exercise of rights by persons belonging to such minorities and ensure their full equality with others";

Whereas the Helsinki accords also express the commitment of the participating States in the field of human rights and fundamental freedoms to "act in conformity with the purposes and principles of the Charter of the United Nations and with the Universal Declaration of Human Rights" and to "fulfill their obligations as set forth in the international declarations and agreements in this field, including inter alia International Covenants on Human Rights, by which they may be bound";

Whereas the participating States have committed themselves to "ensure that their laws, regulations, practices and policies conform with their obligations under international law and are brought into harmony with the provisions of the Declaration of Principles and other CSCE commitments";

Whereas the participating States have committed themselves to "respect the equal rights of people and their right to self-determination, acting at all times in conformity with the purposes and principles of the Charter of the United Nations and with the relevant norms of international law, including those relating to territorial integrity of States";

Whereas the participating States have recognized that respect for human rights is an essential aspect for the protection of the environment and for economic prosperity;

Whereas the participating States have committed themselves to respect fully the right of everyone to leave any country, including their own, and to return to their country;

Whereas the participating States have made it their aim to "facilitate freer movement and contacts, individually and collectively, whether privately or officially, among persons, institutions and organizations of the participating States, and to contribute to the solution of the humanitarian problems that arise in that connection";

Whereas the Helsinki accords also express the commitment of the participating States to "facilitate the freer and wider dissemination of information of all kinds, to encourage cooperation in the field of information and the exchange of information with other countries";

Whereas the dramatic changes which have occurred within the last year in many signatory States have brought the human rights promises of Helsinki closer to fruition;

Whereas, despite significant improvements, all participating States have not yet fully implemented their obligations under Principle VII of the Helsinki accords to respect human rights and fundamental freedoms, including the freedom of thought, conscience, religion or belief, and under Basket III of the Helsinki accords to promote free movement of people, ideas and information;

Whereas on January 19, 1989, representatives from the signatory States agreed on the Concluding Document of the Vienna Follow-Up Meeting, a document which has added clarity and precision to the obligations undertaken by the States in signing the Helsinki accords;

Whereas by agreeing to the Concluding Document, the signatory States "reaffirmed their commitment to the CSCE process and underlined its essential role in increasing confidence, in opening up new ways for cooperation, in promoting respect for human rights and fundamental freedoms and thus strengthening international security";

Whereas the Conference on Security and Cooperation in Europe of the thirty-five signatory States of the Helsinki accords has made major contributions to the positive developments in Eastern and Central Europe, including greater respect for the human rights and fundamental freedoms of individuals and groups; and

Whereas the Conference on Security and Cooperation in Europe provides an excellent framework for the further development of genuine security and cooperation among the participating States: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That—

(1) August 1, 1990, the fifteenth anniversary of the signing of the Final Act of the Conference on Security and Cooperation in Europe (hereinafter referred to as the "Helsinki accords") is designated as "Helsinki Human Rights Day";

(2) the President is authorized and requested to issue a proclamation reasserting the American commitment to full implementation of the human rights and humanitarian provisions of the Helsinki accords, urging all signatory nations to abide by their obligations under the Helsinki accords, and encouraging the people of the United States to join the President and Congress in observance of the Helsinki Human Rights Day with appropriate programs, ceremonies, and activities;

(3) the President is further requested to continue his efforts to achieve full implementation of the human rights and humanitarian provisions of the Helsinki accords by raising the issue of noncompliance on the part of any signatory nation which may be in violation;

(4) the President is further requested to convey to all signatories of the Helsinki accords that respect for human rights and fundamental freedoms is a vital element of further progress in the ongoing Helsinki process; and

(5) the President is further requested, in view of the considerable progress made to date, to develop new proposals to advance the human rights objectives of the Helsinki process, and in so doing address the major problems that remain, including the question of self-determination of peoples.

SEC. 2. The Secretary of the Senate is directed to transmit copies of this joint resolution to the President, the Secretary of State, and the Ambassadors of the thirty-four Helsinki signatory nations.

By Mr. WILSON:

S.J. Res. 340. Joint resolution designating the week beginning November 11, 1990, as "National Disabled Veterans Week"; to the Committee on the Judiciary.

NATIONAL DISABLED VETERANS WEEK

● **Mr. WILSON.** Mr. President, I rise today to introduce a joint resolution to declare the week beginning November 11, 1990, as "National Disabled Veterans Week." Given the large number of disabled veterans who fought so valiantly for their country and for our freedoms, I believe this joint resolution deserves the full support of Congress.

Today, there are over 2 million disabled veterans residing in the United States. Had it not been for the courageous stand and unselfish sacrifice these men and women have jointly taken against the enemies of peace and liberty, we might not be a free country of 250 million strong, as we are today. Unfortunately the honorable service these proud individuals displayed in our Nation's armed services is often overlooked by many segments of our society. Mr. President, we must never forget the contributions these men and women have made on behalf

of our great Nation. More than any other group these veterans have endured extraordinary personal sacrifices on our behalf, including loss of limb, paralysis, blindness, deafness, contraction of disease, and delayed-stress syndrome. In addition, these veterans have had to endure the pain of rehabilitation, long after their term of service had expired.

Mr. President, it is for all of these reasons that I ask the support of Congress to recognize the dedicated and patriotic service of our Nation's disabled veterans with appropriate programs, ceremonies, and activities. By no means is this week of recognition meant to supplant the hard-earned benefits these veterans are already entitled to. Rather, it is meant to bring universal attention and national gratitude upon these American heroes.

During the 98th Congress, I introduced a similar joint resolution, and it was passed unanimously. I am introducing today's joint resolution with the hope that we may again give special meaning and tribute to the country's disabled veterans by adopting the week of November 11, 1990, as "National Disabled Veterans Week."●

ADDITIONAL COSPONSORS

S. 160

At the request of Mr. THURMOND, the name of the Senator from Colorado [Mr. WIRTH] was added as a cosponsor of S. 160, a bill to require the construction of a memorial on Federal land in the District of Columbia or its environs to honor members of the Armed Forces who served in World War II and to commemorate United States participation in that conflict.

S. 1425

At the request of Mr. METZENBAUM, the name of the Senator from Connecticut [Mr. LIEBERMAN] was added as a cosponsor of S. 1425, a bill entitled the "Nutrition Labeling and Education Act of 1989."

S. 1651

At the request of Mr. McCAIN, the name of the Senator from Missouri [Mr. DANFORTH] was added as a cosponsor of S. 1651, a bill to require the Secretary of the Treasury to mint coins in commemoration of the 50th anniversary of the United States Organization.

S. 1834

At the request of Mr. LIEBERMAN, the names of the Senator from Tennessee [Mr. SASSER], the Senator from Alaska [Mr. STEVENS], and the Senator from North Dakota [Mr. BURDICK] were added as cosponsors of S. 1834, a bill to recognize and grant a Federal charter to the organization known as the Supreme Court Historical Society.

S. 1981

At the request of Mr. HOLLINGS, the name of the Senator from Montana

[Mr. BURNS] was added as a cosponsor of S. 1981, a bill to permit the Bell Telephone Companies to conduct research on, design, and manufacture telecommunications equipment and for other purposes.

S. 2098

At the request of Mr. BENTSEN, the names of the Senator from Arizona [Mr. McCAIN], the Senator from Alabama [Mr. SHELBY], and the Senator from Nebraska [Mr. KERREY] were added as cosponsors of S. 2098, a bill to amend title XVIII of the Social Security Act to provide Medicare coverage of Erythropoietin when self-administered.

S. 2384

At the request of Mr. BOREN, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of S. 2384, a bill to amend the Internal Revenue Code of 1986 with respect to the treatment of certain real estate activities under the limitations on losses from passive activities.

S. 2413

At the request of Mr. KERRY, the names of the Senator from Kansas [Mr. DOLE] and the Senator from Ohio [Mr. GLENN] were added as cosponsors of S. 2413, a bill to make eligibility standards for the award of the Purple Heart currently in effect applicable to members of the Armed Forces of the United States who were taken prisoner or taken captive by a hostile foreign government or its agents or a hostile force before April 15, 1962, and for other purposes.

S. 2468

At the request of Mr. BREAU, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of S. 2468, a bill to amend the Solid Waste Disposal Act to provide for State management of solid waste; to reduce and regulate the interstate transportation of solid wastes; and for other purposes.

S. 2537

At the request of Mr. DASCHLE, the name of the Senator from Ohio [Mr. GLENN] was added as a cosponsor of S. 2537, a bill to amend chapter 32 of title 38, United States Code, to authorize the pursuit of flight training under that chapter.

S. 2568

At the request of Mr. BIDEN, the name of the Senator from Hawaii [Mr. INOUE] was added as a cosponsor of S. 2568, a bill to establish the Counter-Narcotics Technology Assessment Center within the Office of National Drug Control Policy, and for other purposes.

S. 2611

At the request of Mr. HARKIN, the name of the Senator from New Jersey [Mr. LAUTENBERG] was added as a cosponsor of S. 2611, a bill to authorize assistance to the Washington Center

for Internships and Academic Seminars.

S. 2616

At the request of Mr. DASCHLE, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 2616, a bill to amend title XVIII of the Social Security Act to provide coverage under such title for certain chiropractic services authorized to be performed under State law, and for other purposes.

S. 2737

At the request of Mr. ARMSTRONG, the names of the Senator from Ohio [Mr. GLENN] and the Senator from New Hampshire [Mr. RUDMAN] were added as cosponsors of S. 2737, a bill to require the Secretary of the Treasury to mint a silver dollar coin in commemoration of the 38th anniversary of the ending of the Korean war and in honor of those who served.

S. 2754

At the request of Mr. BIDEN, the name of the Senator from Oregon [Mr. PACKWOOD] was withdrawn as a cosponsor of S. 2754, a bill to combat violence and crimes against women on the streets and in homes.

SENATE JOINT RESOLUTION 300

At the request of Mr. PACKWOOD, the names of the Senator from Rhode Island [Mr. PELL] and the Senator from North Carolina [Mr. SANFORD] were added as cosponsors of Senate Joint Resolution 300, a joint resolution to designate September 1990 as "Jewish Community Center Month."

SENATE JOINT RESOLUTION 336

At the request of Mr. COCHRAN, his name was added as a cosponsor of Senate Joint Resolution 336, a joint resolution designating the week in 1990 which coincides with the first visit of Nelson Mandela to the United States after his release from prison in South Africa as "South African Freedom Week."

SENATE CONCURRENT RESOLUTION 134

At the request of Mr. HEINZ, the names of the Senator from California [Mr. CRANSTON] and the Senator from Virginia [Mr. ROBB] were added as cosponsors of Senate Concurrent Resolution 134, a concurrent resolution expressing the sense of Congress concerning a 1991 White House Conference on Aging.

AMENDMENTS SUBMITTED

NATIONAL AFFORDABLE HOUSING ACT

KERRY AMENDMENT NO. 2064

Mr. KERRY proposed an amendment to the bill (S. 566) to authorize a new corporation to support State and local strategies for achieving more af-

fordable housing; to increase homeownership; and for other purposes, as follows:

At the appropriate place insert the following:

SEC. . STUDY ON ENTERPRISE ZONES DEVELOPMENT CORPS.—Within ninety days from the date of enactment of this Act, the Secretary of Housing and Urban Development shall conduct a study and report to the Senate Committee on Banking, Housing, and Urban Affairs, in the feasibility of establishing a National Volunteer Corps made up of representatives from the business and labor communities who would provide management expertise or technical assistance to businesses or nonprofit organizations located in designated enterprise zones.

SEC. . STUDY ON TURNING DRUG ZONES INTO OPPORTUNITY ZONES.—Within ninety days from the date of enactment of this Act, the Secretary of Housing and Urban Development shall conduct a study and report to the Senate Committee on Banking, Housing, and Urban Affairs, on ways in which areas ravaged by drug trade, drug related crime and drug abuse may be made more attractive as investment locations for companies, including the provision of special incentives to encourage companies to invest in these areas, in order to provide economic opportunity within communities to the residents of these communities. This study shall include recommendations on how areas that would qualify for benefits as an enterprise zone might receive additional benefits if they met criteria demonstrating that the community suffered from acute drug use and related crime.

BRYAN AMENDMENT NO. 2065

Mr. BRYAN proposed an amendment to the bill S. 566, *supra*, as follows:

On page 627, strike lines 8 through 13 and insert the following:

"(d) FEDERALLY ASSISTED LOW INCOME HOUSING.—In addition to the selection criteria specified in subsection (b), the Secretary may establish other criteria for the evaluation of applications submitted by owners of federally assisted, low income housing, except that such additional criteria shall be designed only to reflect—

"(1) relevant differences between the financial resources and other characteristics of public housing authorities and owners of federally assisted, low income housing, or

"(2) relevant differences between the problem of drug-related crime in public housing and the problem of drug-related crime in federally assisted, low income housing."

Page 634, line 16, after "IN GENERAL.—", strike "The" and insert in lieu thereof "To the extent provided in appropriations acts, the".

At the end of the title X of this bill, add the following new title:

TITLE —GENERAL ACCOUNTING OFFICE STUDY

SEC. . EXTENT TO WHICH FEDERAL ASSISTANCE PROGRAMS DISCOURAGES INDIVIDUALS FROM LEAVING SUCH PROGRAMS.

The Comptroller General of the United States of America shall conduct a study to examine how housing policies and social service policies affect beneficiaries, particularly those receiving public assistance, when such beneficiaries gain employment and experience a rise in income. The study shall

analyze the extent to which existing housing and other laws create disincentives to upward income mobility and shall recommend any changes to existing law which would remove such disincentives.

The Comptroller General shall report to the Congress of the United States of America the findings of this study not later than twelve months after this bill becomes Public Law.

NOTICES OF HEARINGS

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

Mr. FORD. Mr. President, I would like to announce for the Senate and the public that a hearing before the Subcommittee on Energy Research and Development has been rescheduled.

The purpose of the hearing is to receive testimony on the Department of Energy's uranium enrichment enterprise and the independent financial assessment prepared by Smith Barney, Harris Upham & Co.

The hearing, originally scheduled for Tuesday, June 26, 1990, at 9:30 a.m., will take place on Thursday, June 28, 1990, at 9:30 a.m. in room SD-366 of the Senate Dirksen Office Building in Washington, DC.

Those wishing to provide written testimony for the printed hearing record should send it to the Subcommittee on Energy Research and Development, U.S. Senate, Washington, DC, 20510, Attn: Cheryl Moss.

For further information, please contact Cheryl Moss at (202) 224-7569.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. BINGAMAN. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on June 22, 1990, at 9:30 a.m. on S. 2398, a bill to authorize the continuation of the National Senior Olympic Games and S. 2399, a bill to authorize the registration of the word mark "National Senior Olympics."

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON IMMIGRATION AND REFUGEE AFFAIRS

Mr. BINGAMAN. Mr. President, I ask unanimous consent that the Subcommittee on Immigration and Refugee Affairs, of the Committee on the Judiciary, be authorized to meet during the session of the Senate on Friday, June 22, 1990, at 9:30 a.m. to hold a hearing on S. 1629, a bill to establish clearly a Federal right of action by aliens and U.S. citizens against persons engaging in torture or extrajudicial killings, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

VALLEY: LEADING ALABAMA INTO THE 21ST CENTURY

● Mr. SHELBY. Mr. President, I rise today to ask my colleagues in the Senate to join me in recognizing the accomplishments and achievements of the outstanding citizens of Valley, AL. These Alabamians have pulled together to improve their city with the common goal of making the State of Alabama a better place to live.

In their efforts, the people of Valley increased their population in 1980 by combining the four communities of Shawmut, Langdale, Fairfax, and Riverview. This incorporation made the population rise to 8,000 and the city covered about 7½ square miles. Within the last 10 years the population has risen to approximately 10,000 and covers an area of approximately 9½ square miles.

Located off Interstate 85, between Montgomery and Atlanta, Valley claims textiles as its main industry with 12 West Point Pepperell facilities in operation. Tremendous progress has been made in the past 10 years; a municipal complex consisting of two buildings containing 15,400 square feet was dedicated in 1985. This facility houses the new police department and the city hall.

A senior citizens center was dedicated in 1989, and received honorable mention for being the nicest senior citizens facility in the State. In addition to providing homebound elderly with meals, the center serves as a gathering place for area seniors. Mr. President, the city has constructed two elderly and low-income housing facilities. A city park with walking trails, picnic tables, and recreation equipment has also been developed. Several grants have been acquired to furnish better housing and sewage to low income areas. Major improvements have been made on streets and bridges, and numerous services, such as an ambulance service, an animal control officer and a local pound, are now available to the citizens. Ordinances have been adopted to make Valley a better and safer place to live and a city school system has been created to provide the best possible education for area students.

Mr. President, Valley, AL, is a shining example of a community working together to shape its future. Thanks to old fashioned hard work, commitment and shared goals, the citizens of Valley have ensured that their city will help lead the State of Alabama into the next century. I thank them for their efforts and look forward to

watching this city's progress in the years to come.●

KEN CURTIS

● Mr. COHEN. Mr. President, Theodore Roosevelt once said that the most practical kind of politics is the politics of decency.

In Maine, we have a living example of the politics of decency in Ken Curtis, former two-term Governor, former United States Ambassador to Canada, former chairman of the Democratic National Committee, and now president of Maine Maritime Academy [MMA] in Castine, ME.

A very fine article about Ken that appeared in last week's Maine Sunday Telegram stated that, "despite 30 years in politics, Curtis hasn't grown windy and pompous. Even stranger, he hasn't made enemies—at least none who remained enemies for long."

Ken's talents are many. Having recently delivered the commencement address at MMA, I can personally attest to Ken's prowess in his latest endeavor, where he has presided over some major improvements.

In January 1989, MMA launched a \$10 million fundraising campaign, which, according to the Telegram, is the largest amount ever sought by any maritime college. The goal should be reached by the end of this year.

MMA is also expanding its curriculum. Four years ago, the academy offered one degree and two majors. Today, students may pursue degrees at three levels in any of 10 major fields, including marine sciences, yacht design, ship repair, and fisheries research.

MMA is also attracting international attention. Visitors from Scandinavia, Holland, Germany, France, China, and other countries have enrolled in international seminars on topics ranging from ocean survival to petroleum tanker safety.

In September, the Soviet Union will send its training ship, the 365-foot *Drushba*, a three-masted sailing vessel, and a crew of cadets to Castine Bay. This will be the first visit to the United States by this ship and follows a trip made by MMA's training vessel *State of Maine* to the Soviet Union.

Ken himself is a graduate of MMA who went to sea as a second mate in the U.S. Merchant Marine and served as a lieutenant commander in the Navy before becoming a lawyer and launching his political career.

By Christmas, Ken will have been president of MMA for 4 years and has stated his intention to leave before 1991, the academy's 50th anniversary.

By February, he says, "I will be 60 and looking for another good cause—probably one in trouble or on the verge of bankruptcy." Undoubtedly, Ken will find a worth outlet for his considerable talents.

I congratulate Ken on his accomplishments and ask that a copy of the article that appeared in the Telegram be printed in the CONGRESSIONAL RECORD.

The article follows:

AT THE HELM—CURTIS REVS UP DYNAMIC MMA

The most remarkable thing Ken Curtis has done in his remarkable career is to stay such a nice man. He's been secretary of state for Maine, governor of Maine for eight years, U.S. ambassador to Canada, chairman of the National Democratic Committee and, for the last 3½ years, president of the Maine Maritime Academy at Castine.

Yet, despite 30 years in politics, Curtis hasn't grown windy and pompous. Even stranger, he hasn't made enemies—at least none who remained enemies for long.

He seems to have done it by simply staying himself—the Kenneth Merwin Curtis who was born in Curtis Corner, Androscoggin County, 59 years ago; went to Cony High in Augusta, Maine Maritime Academy and the University of Maine Law School and is a Mainer to the marrow. The result? Curtis probably is liked by more people in Maine than anybody in the state.

The question today is, "What will Ken Curtis do next?" By Christmas he will have been president of Marine Maritime for four years. He says he intends to leave before 1991, MMA's 50th anniversary. By February, he says, "I will be 60 and looking for another good cause—probably one in trouble or on the verge of bankruptcy." The Curtis name, however, still heads the list of partners in the Portland law firm of Curtis, Thaxter, Stevens, Broder & Micoleau.

Curtis talks enthusiastically about what is happening at Maine Maritime.

"Begin with finances," he says with this boyish grin. "In January 1989, Maine Maritime launched a \$10 million fund-raising campaign, the largest amount ever sought by any maritime college. Well, we've passed the \$8 million mark already and, before year's end, we'll raise the full \$10 million."

Curtis credits trustee Elizabeth Noyce of Bremen, fund-raising chairman, for the success of the drive. "She first gave \$2.5 million herself, then went out and worked tremendously hard to obtain pledges from others."

Bath Iron Works, which has more than 100 MMA graduates working for it, pledged more than \$800,000. A state bond issue provided \$2 million for construction of a badly needed new pier at which to dock the State of Maine vessel.

In addition, millions of dollars worth of new laboratories, classrooms, maritime facilities and housing for single students have been built. This fall, construction begins on a major new administration center. Enrollment is at an all-time high.

Curtis next talks about how MMA is broadening its "ocean education" base.

"MMA is diversifying—adding new specialties, awarding new four-year and two-year associates degrees—in marine sciences, ocean studies, yacht design, ship repair, marina management, the environment of the sea, marine biology and fisheries research. This fall, we will be the first public college in Maine to offer a four-year degree in ocean studies," he says.

Curtis adds that more than 1,700 seagoing professionals have enrolled in special courses and international seminars ranging from ocean survival to petroleum tanker safety. Participants have come from Scandinavia, Holland, Germany, France, the

United Kingdom, India, China, Taiwan and many African and South American countries.

"Just four years ago, we offered one degree and two majors; today we award degrees at three levels, encompassing 10 major fields of study," he says.

But Curtis emphasizes that 75 percent of MMA's programs still prepare young men and women to earn a B.S. degree, plus a merchant marine license as deck or engineering officers, together with a commission in the Naval Reserve.

Curtis, who went to sea as a second mate in the U.S. merchant marine and served as a lieutenant commander in the Navy before becoming a lawyer, stresses that MMA is still very much a Maine school. Sixty-five percent of the enrollment comes from in-state. "The other 35 percent comes from 25 different states and 10 foreign countries," he explains.

Curtis also says, "We have 30 women midshipmen now and I hope we'll have 100 someday." He speaks of women graduates who are senior officers in the merchant marine and Navy. "Our first woman graduate, Deborah Doane Dempsey, is now captain of a big container ship and married to the captain of another."

The academy, says Curtis, has been racking up a lot of "firsts." It was the first among American maritime colleges to establish a post-graduate program in its new Center for Advanced Maritime Studies; first to offer a residential master's degree program, with more than 100 master's degree candidates now enrolled; first to add research vessels and tug and barge operations to the undergraduate curriculum; first to send its cadets and the State of Maine training ship on a cruise to the Soviet Union.

In September the Soviets, for the first time in history, will send their training ship, the 365-foot *Drushba*, a three-masted sailing vessel, into Castine. The academy itself has a fleet of 90 boats.

Curtis also focuses on a major new project through which MMA will help protect all of Maine from major damage in oil spills.

"MMA is in the process of developing a complete, computerized oil spill control information system for the entire coast of Maine," he says. "We plan to build a massive data base in a central computer here, which will contain all updated information about wildlife, fish population, shellfish, winds, tides, currents in every potential oil spill area along the entire coast."

"Our computer will also store complete information about all the resources of boats, equipment and professionals available in every area to combat spills, so they can be instantly marshalled."

As a bonus, the historic schooner *Bowdin*, fully restored, is now part of the fleet at MMA. And Curtis has plans for it. He plans for the *Bowdin* to become a seagoing ambassador for Maine.●

CONGRATULATIONS TO RUSTY MOLSTAD: NATIONAL PRESIDENT OF THE U.S. JAYCEES

● Mr. DASCHLE. Mr. President, I rise today to recognize Mr. Rusty Molstad of Sturgis, SD, the newly elected national president of the U.S. Jaycees. Rusty is the 71st president of that organization and South Dakota's first national president.

Rusty Molstad is well qualified for this honor that was bestowed upon him by his fellow Jaycees. He has served in many local and State offices and, as the president of the South Dakota Jaycees in 1987-88, led his organization to a second-place finish in the national Parade of States. Rusty's leadership of the South Dakota Jaycees led to his receipt of the Clayton Frost Memorial Award as one of the top five State presidents of the year. In 1988-89, Rusty was 1 of the 10 national vice presidents and served on the organization's executive committee as national legal counsel.

The U.S. Jaycees, as a national leadership training organization that places a high priority on voluntarism, plays a significant role in developing local, regional, and national leaders for our country's future. Rusty Molstad is an excellent example of the success of this effort, and he will serve the Jaycees well during his year of service as their national president.

Rusty Molstad and the Jaycees have long recognized the delicate ecological balances at work in the world and have always placed an emphasis on voluntarism to benefit the environment. Rusty and I share an interest in promoting tree planting as one means of protecting our environment and educating the public about the environmental potential of tree planting.

It is estimated that 10 million acres of new forests could absorb virtually all the carbon dioxide emitted by powerplants to be built in the United States over the next decade. Also, research studies have shown that trees planted as windbreaks reduce the costs of home heating from 10 to 15 percent in the north central United States to as much as 40 percent in the Great Plains. Trees that are planted to a field windbreak can reduce the carrying power of wind which will in turn reduce wind-soil erosion. Soil erosion by wind is a major problem throughout the United States.

Rusty Molstad has an interest in establishing a volunteer Jaycee program dedicated to tree planting nationwide. I wish him my very best with this ambitious project, and I am hopeful that the Congress will also promote the establishment of windbreaks and shelterbelts and protect our existing resource for the benefit of future generations.

Again, I commend Rusty Molstad for his achievement; an achievement that not only reflects well of him, but also of the quality of character so often found in the State of South Dakota.●

TRIBUTE TO SENATOR MILLARD TYDINGS

● Ms. MIKULSKI. Mr. President, Senator Millard Tydings would have celebrated his 100th birthday on Easter Sunday 1990. On this occasion, the

mayor and city council of Havre de Grace, MD, have honored one of their most distinguished citizens by proclaiming 1990, the "Millard E. Tydings Year."

Senator Tydings was simply a great American. His devotion to the State of Maryland and to the Nation was deep and abiding. From his extensive education to his decorated military service in World War I to his lengthy public service in the Maryland State Legislature, the House of Representatives, and the Senate, Senator Tydings was a champion of the "American Dream." He capitalized on the opportunities America afforded him, and in return, gave so much of himself to the cause of democracy.

As a member of the Senate Naval Affairs Committee in the 1930's, the Senator foresaw the coming of the Second World War. He saw to it that our naval forces were prepared for any and all challenges they might face.

Following the war, the Senator's interest in national security matters never waned. He authored the Armed Forces unification bill and was the first chair of the Senate Armed Services Committee. It was Gen. Omar Bradley's view that Senator Tydings was Congress' most knowledgeable legislator when it came to the free world's armed forces. Furthermore, the Senator's chairmanship of the Senate Democratic Steering Committee and his membership on the Atomic Energy and Foreign Relations Committees spurred calls of "Tydings for President."

The year 1950 brought reelective defeat for Senator Tydings. The campaign was marred by malicious tactics fed by the then rampant Red scare. The Senator's defeat was to the considerable detriment of our Nation, which he had served so proudly and with such distinction. An attempted return to the Senate 6 years later was abruptly halted by illness, and further benefit from Senator Tydings' talents was lost to us forever.

In conclusion, Senator Tydings was a man—and politician—of irrepressible integrity. He possessed precisely what good government will always require of its leaders. The State of Maryland and the Nation owe Senator Tydings a debt of sincere gratitude. It is my hope and belief that "the Millard E. Tydings Year" will, in some small measure, acknowledge the Senator's many contributions to our society.●

EXPLANATION OF S. 2774

● Mr. DANFORTH. Mr. President, yesterday, Senator MOYNIHAN and I introduced S. 2774, a bill to amend the Internal Revenue Code to impose an excise tax on the sale or exchange of international aviation route certificates. I would like to take this opportunity to emphasize that this legisla-

tion is not intended to affect any transaction which has received approval prior to June 21, 1990 from the Department of Transportation under section 401(h) of the Federal Aviation Act of 1958 (49 U.S.C. 137(h)). Specifically, this legislation is not intended to affect the transaction between Eastern Air Lines and American Airlines transferring assets, including the certificates for routes in Central and South America.●

MOST-FAVORED-NATION STATUS FOR CHINA

● Mr. ARMSTRONG. Mr. President, many Americans have been deeply concerned by proposals to extend most-favored-nation status [MFN] to the People's Republic of China. I find these proposals unsettling, too.

For many years the United States has recognized the moral element involved with trade. As early as 1973, Congressman Vanik made it clear that the United States "will require some basic consideration of human rights . . . a system that reflects respect for the United Nations Declaration of Human Rights. The United States has no obligation to extend lower tariff rates or billions of dollars in loans—these are not the rights of foreign nations. They are gifts that can be offered by the American people under conditions set by the American people."

The Jackson-Vanik amendment to the Trade Act of 1974 denies MFN status and participation in any program guaranteeing credit to a nonmarket economy which prevents its citizens from emigrating. While Chinese emigration has increased in the past year, one must overlook much of the intent of Jackson-Vanik, which uses emigration as a measure of the human rights progress of any nation. Chinese students and scholars are not free to migrate or in the case of Fang Lizhi, even to emigrate to the United States.

At this time, I do not believe the Chinese Government should be rewarded for their actions of the past year. China's reversal of earlier moves toward a freer society, most notably demonstrated in its brutal suppression of last year's student protests, showed this regime's utter disregard for the most basic human rights. Its brutalities continue and are extreme. I am told they include frequent disappearances, arbitrary arrest, detentions, and even savage executions. Readers Digest recently profiled a few of the Chinese students and scholars who last year dreamt only of freedom—and this year are truly learning the meaning of slavery.

I ask my colleagues to read the article carefully. I am certain after reading "Into the Bamboo Gulag," and reviewing the People's Republic of

China's record over the past year, they will agree with me that we cannot give this terrible regime the unqualified gift of MFN status. America must continue its tough stand for freedom and basic human rights.

The article follows:

[From the Reader's Digest, June 1990]

INTO THE BAMBOO GULAG

(By Fergus M. Bordewich)

(The following report profiles just a few of the political prisoners who have disappeared in the People's Republic of China. No one knows their exact number. Estimates range from hundreds of thousands to 20 million prisoners over all. Many languish in jail, while others are exploited as slave labor. They mine coal in Sichuan, clear tundra in Heilongjiang, forge steel in Liaoning, plant cotton in Xinjiang. Many are guilty of nothing more than calling for what Americans take for granted: freedom. Their numbers have swelled with the arrest and imprisonment of an estimated 6,000 students and others who protested for democracy in Beijing a year ago this month.)

(After extensive interviews with eyewitnesses and survivors of the labor camps, journalist Fergus M. Bordewich takes us into the Bamboo Gulag—a system so secret that even those within it don't know all its tentacles. But it is by every estimate the most far-reaching system of political prisons in the world.)

Leave your name at the door. You have become a number. If you stay long enough, you may forget that you ever had a name.

You and 30 others share a 20-by-20-foot cell in Beijing's infamous Banbuqiao Prison. The walls are stained with crushed ticks, fleas and bedbugs, and the floor is covered with mucus and spittle.

All day you sit on your dirty cotton mat. You're not allowed to move. You're not allowed to talk. You're allowed to get up only to use the toilet. Once a day.

The guard blows a whistle that tells you when to sleep and when to wake. At night, you are packed together so tightly that everyone has to turn at the same time.

No one bathes. You are given one small bowl of water each day. You can either drink it or wash with it. You drink it.

Twice a day, you are given a couple of pieces of turnip in hot water. They call it soup. You're so hungry you vomit bile. Your energy diminishes day by day, until you are unable to walk without holding onto the wall.

In 1980 Wang Juntao ran as an independent candidate in China's first contested election since 1949. Although he lost, he told supporters, "If we want democracy, we've got to show people how it's done."

Later he established one of China's first independent educational programs so working people could study in their spare time. Then he helped set up an influential institute that urged free-market capitalism.

He could have joined the Communist Party, but he knew that if he did, he would have to support the regime. If he was to be an official, he wanted to be elected freely.

The Democracy Movement of 1989 was the opportunity he had dreamed of. He gave the students food and published their daily newsletter. He helped organize hundreds of Chinese journalists to join the demonstrations, to call for freedom of the press. That helped turn the student protest into a vast popular outpouring of support, as doctors, teachers, workers and even delegations from

the police and the Communist Party school began marching to Tiananmen Square.

He also set up the "underground railroad" that enabled some of the student leaders to flee to the West after the military crackdown on the night of June 3.

Wang stayed on in China to help others escape, until it was too late to save himself. He eluded the police for three months but was arrested as he was about to cross the border into Hong Kong. By October he had disappeared into the Bamboo Gulag.

To stay sane, you silently recite poems to yourself. You try to remember songs. You dream of your family. You hold fast to your memories of last spring when you went to Tiananmen Square and demonstrated for democracy, for an end to Communist oppression. After the regime cracked down, you saw the hundreds who lay dead in the streets. Then the government launched a ruthless roundup of those who had helped organize the demonstrations. Soldiers threw you into the back of a truck like a sack of rice and took you to Banbuqiao.

You've heard that scores of people were secretly killed for taking part in the Democracy Movement. You know three Shanghai workers who were executed for protesting after a train ran over unarmed pro-democracy demonstrators. You know about the teacher who was sentenced to life in prison for flinging paint on Mao Zedong's portrait in Tiananmen Square. You are afraid.

Liu Xiaobo was a visiting scholar in the United States last year. He didn't have to go home. But when news of the Democracy Movement reached him, he knew he had to help.

He flew to Beijing in April and threw himself into the movement. He was one of the first nationally known intellectuals to side publicly with the students. Many others followed his lead.

Some say his June 2 speech was the most important of the entire movement. Liu has a stammer, but it didn't stop him. The thousands of young faces gave him courage as he stood in the center of Tiananmen Square, and his words roared out over the jetty-built public-address system.

"We advocate the peaceful democratization of China. We seek to end the rule of the bayonet and the lie! We must now build a new politics, free of enemies and hatred, based instead on tolerance and compromise, and functioning through discussion and the electoral process."

The government accused Liu of advocating armed rebellion. The truth has never mattered to the Communists.

If the government executes a leading thinker, it could be Liu Xiaobo. He was the most outspoken, and the regime may kill him to intimidate others, to remind the people of China that anybody can be destroyed for his ideas.

He, too, has disappeared into the Bamboo Gulag.

You have been held incommunicado for months. The law says that your family must be notified of your arrest—unless that would "hinder the investigation." Your family has been notified.

Your trial is just a formality anyway. A Party-dominated committee decides the verdict before the trial even begins. Releases and acquittals are rarely on the agenda.

In the courtroom, you are not allowed to call witnesses, see the evidence against you or challenge your accusers. And you are not allowed to remain silent in protest.

The judge asks the same questions over and over: "Did you plot to overthrow the

Communist Party? Do you admit to being an enemy of the people? Do you confess you set out to attack the state?"

A sign hangs over the courtroom: "Leniency to those who confess, severity to those who resist." Guilt is presumed, and any attempt to argue your innocence is taken as further proof of guilt.

Don't expect justice here. This is a Chinese Communist court.

Wang Dan was just 20 years old when the Democracy Movement began. He was shy and quiet, happily studying history at Beijing University. He never expected to become the leader of a revolution.

He loved China deeply, but knew there was something terribly wrong with the way it was governed. The constitution promised free speech, but the authorities blatantly violated that guarantee. Finally he realized that true democracy could be guaranteed only when dissenting views could circulate freely, and only when opposition parties were allowed to exist.

After the last government crackdown in 1987, Wang was a key figure in keeping the Democracy Movement alive. He established the most important democratic discussion club at Beijing University. In those days it was a thrill just to be able to say the word democracy aloud. Hundreds of students met leading dissidents at the club and for the first time in their lives began to talk openly about human rights.

The club played a crucial role in the student alliance that became the Democracy Movement. When the students of Beijing University led the march toward Tiananmen Square, Wang was at their head. He remained a leader of the movement right up to the moment the army tanks rolled into the square.

A month after the massacre, he came out of hiding to meet a Taiwanese journalist. But secret police were tailing the journalist and Wang fell into their net. He has disappeared into the Bamboo Gulag.

For the last two days you have ridden in the back of a truck across the sandy wastes of western Qinghai Province, with no sign of life for hundreds of miles. Then, on the horizon, you see a thin red line. It grows larger until it becomes a high brick wall punctuated with towers. In the towers are soldiers with machine guns and they're pointed at you.

Welcome to your new home. There's a little more space than in the cell in Beijing. This time you live in a room with 40 other prisoners. You're not allowed private possessions: no books, no photographs, no keepsakes, no clothes. Nothing.

Twice a day, you're given one piece of rock-hard corn bread, some turnips and cabbage, and hot water. You're supposed to get four ounces of pork every week, but camp officials steal half of it.

You dig irrigation ditches from sunrise to sunset, seven days a week. When there is a full moon, you work at night too. You come to hate the moon. In winter, the temperature drops to 40 below zero. But you must keep on hacking ditches from the frozen soil.

Han Dongfang was a simple worker, a maintenance man for the state railway. He was tired of being treated like a piece of machinery and sick of watching Communist Party officials get rich while the people suffered.

The students in Tiananmen Square gave him the strength to stand up for himself at last. There and then, in the square, he made

the first speech of his life, denouncing the state's exploitation of workers.

On May 19, he and a group of other dissident workers set up Communist China's first free trade union. Since the Communist Party calls itself the party of the working class, he struck at the heart of the Communist state. Inspired by his actions, others formed similar unions across China.

The night before government troops invaded Tiananmen Square, the atmosphere in Han's tent was tense. His young bride huddled nearby. "I'm not afraid to die," he told a friend. He hoped there would be an international outcry if the government moved against them.

Han disappeared into the Bamboo Gulag and has been in solitary confinement for months, gravely ill.

You learn to fear the guards. They consider you, a political prisoner, lower than a murderer or thief. They don't wait for an infraction of the rules to punish you. They tie your elbows behind your back with a wet thong that tightens as it dries. After an hour, you go numb. If the thongs are left on too long, you could be crippled for life.

"You're not grateful enough to the Communist Party for trying to rehabilitate you," they say. "You must learn more respect!"

The next time guards push wires through the flesh of your ankles; they put an iron band around your skull and tighten it until your head cracks. Then they handcuff your arms underneath one leg, raising it tight against your chest. They leave you like that for days, sometimes weeks.

No one escapes from the camp. There's nowhere to go, just sand in every direction for hundreds of miles.

One prisoner tried. They tied his arms behind his back and hung him from a metal hoop. His screams were heard all through the night; by morning, they had stopped. Though he was still alive when guards took him down, his arms were useless.

Gradually you lose your sense of time. Months go by . . . or are they years? You feel as if you've been buried alive.

Wei Jingsheng was considered by students to be the father of the Democracy Movement. In fact, a prelude to the movement came when leading intellectuals petitioned for his release.

He once believed in Communism. But as he traveled around China, he saw that Communism had brought poverty, oppression and suffering. He saw naked beggars crying for scraps of food. He saw honest, men and women killed for speaking their minds. He learned that Mao's Great Leap Forward had so impoverished people in Wei's own ancestral province that some had resorted to cannibalism.

During a brief period of openness in 1979, he founded an independent magazine. It declared that the Communist Party could never reform itself. "We need no gods or emperors," he wrote. "We do not want to be instruments used by autocrats to carry out their wild ambitions."

At the time, other dissidents criticized his outspokenness. But by 1989, hundreds of thousands of demonstrators were echoing his words in Tiananmen Square.

Wei disappeared into the Bamboo Gulag in late 1979. Since 1980, he has been kept in complete isolation. The authorities say that his "rebellious spirit" would corrupt other prisoners. There are reports that for the last seven years he has only been allowed out of his cell once a month for exercise.

Some say that his hair and teeth have fallen out, that he has lost the ability to speak. But he is alive.

He defies the Communists to break his spirit. No matter how long they keep him, he will never give in.

As the slow torture of the Gulag brings you face to face with death you wonder, has the world forgotten you? You wonder especially about the United States, whose ideals served as the beacon of the Democracy Movement.

You remember the simple words of Abraham Lincoln that demonstrators shouted in Tiananmen Square: "Government of the people, by the people, for the people." And you dream of the Goddess of Democracy, the students' own Statute of Liberty, who stood briefly before government soldiers toppled her.

Where is America now?

(President Bush believes we should maintain good relations with the rulers of China, one of the world's most formidable powers. Last December 10, International Human Rights Day, he sent National Security Adviser Brent Scowcroft and Deputy Secretary of State Lawrence S. Eagleburger to meet with the Chinese leadership in Beijing. The U.S. officials were shown on Chinese television, smiling and toasting Li Peng, mastermind of the Tiananmen massacre. The Chinese press quoted them as saying the two countries should "not exhaust ourselves in placing blame for problems that exist.")

(Since 1949, China's masters have imprisoned or killed tens of millions of China's people. Now they want Western loans and assistance. They want to export products—textiles, machinery, consumer goods—some made by political prisoners. They pretend that there is no gulag, that there are no prisoners of conscience, that the Tiananmen massacre never happened.)

(But as we have learned from recent history in other communist lands, there can be no good reason to coddle a regime that slaughters its unarmed citizens. The lesson is to keep faith with people—not tyranny.)

(Bullets and blood may have silenced the heroes of Tiananmen Square—for now. But they will be back, again and again, as long as freedom is suppressed. As the world's beacon of democracy, the United States must not ignore their cause—or their sacrifice.)

HIGHER EDUCATION ACT AMENDMENTS

Mr. BINGAMAN. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 999, the Higher Education Act amendments.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives.

Resolved, That the bill from the Senate (S. 999) entitled "An Act to amend the Higher Education Act of 1965 to clarify the administrative procedures of the National Commission on Responsibilities for Financing Postsecondary Education", do pass with the following amendments:

Strike out all after the enacting clause, and insert:

SECTION 1. ADMINISTRATION OF COMMISSION.

Section 1321 of the Higher Education Amendments of 1986 (20 U.S.C. 1221-1 note) is amended—

- (1) by redesignating subsections (e) and (f) as subsections (f) and (g), respectively; and
- (2) by inserting after subsection (d) the following new subsection:

"(e) ADMINISTRATION OF THE COMMISSION.—

"(1) RATE OF PAY.—Members of the Commission who are not full-time officers or employees of the United States and who are not Members of Congress may, while serving on business of the Commission, be compensated at a rate not to exceed the rate specified at the time of such service for Grade GS-18 of the General Schedule as authorized by section 5332 of title 5, United States Code, for each day, or any part of a day, they are engaged in the actual performance of Commission duties, including travel time; and while so serving away from their homes or regular places of business, all members of the Commission may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently.

"(2) TEMPORARY EXEMPTION.—Subject to such rules as may be adopted by the Commission, the Chairperson, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, shall have the power to—

"(A) appoint a Director or Executive Director who shall be paid at a rate not to exceed the rate of basic pay for GS-18 of the General Schedule; and

"(B) appoint and fix the compensation at a rate not to exceed the rate payable at the GS-18 rate of such other personnel as the Chairperson considers necessary.

"(3) AUTHORITY TO CONTRACT.—Subject to the Federal Property and Administrative Services Act of 1949, as amended, the Commission is authorized to enter into contracts with Federal and State agencies, private firms, institutions, and individuals for the conduct of activities necessary to the discharge of its duties and responsibilities.

"(4) SOURCE OF ADMINISTRATIVE SUPPORT.—Financial and administrative support services (including those related to budget and accounting, financial reporting, payroll, and personnel) shall be provided to the Commission by the General Services Administration (or other appropriate organization) for which payment shall be made in advance, or by reimbursement, from funds of the Commission, in such amounts as may be agreed by the Chairperson of the Commission and the Administrator of General Services.

"(5) AUTHORITY TO HIRE EXPERTS AND CONSULTANTS.—The Commission is authorized to procure temporary and intermittent services of experts and consultants as are necessary to the extent authorized by section 3109 of title 5, United States Code, but at rates not to exceed the rate specified at the time of such service for grade GS-18. Experts and consultants may be employed without compensation if they agree to do so in advance.

"(6) AUTHORITY FOR DETAIL OF EMPLOYEES.—Upon request of the Commission, the head of any Federal agency is authorized to detail on a reimbursable basis, any of the personnel of such agency to the Commission to assist the Commission in carrying out its duties under this section."

SEC. 2. TERMINATION OF COMMISSION.

Subsection (g) of section 1321 of the Higher Education Amendments of 1986, as redesignated by section 1 of this Act, is amended to read as follows:

"(g) TERMINATION.—The Commission shall terminate 2 years after the first meeting of the members."

Amend the title so as to read: "An Act to amend the Higher Education Amendments of 1986 to clarify the administrative procedures of the National Commission on Responsibilities for Financing Postsecondary Education, and for other purposes."

Mr. BINGAMAN. Mr. President, I move that the Senate concur in the House amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion. The motion was agreed to.

Mr. BINGAMAN. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

KOREAN WAR REMEMBRANCE DAY

Mr. BINGAMAN. Mr. President, I ask unanimous consent the Senate proceed to the immediate consideration of House Joint Resolution 575 to designate June 25, 1990, as "Korean War Remembrance Day." This is a matter just received from the House.

The PRESIDING OFFICER. The joint resolution will be stated.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 575) to designate June 25, 1990, as "Korean War Remembrance Day."

The PRESIDING OFFICER. Is there objection to the immediate consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. CRANSTON. Mr. President, as chairman of the Committee on Veterans' Affairs, I am pleased to support the passage of House Joint Resolution 575, a joint resolution designating June 25, 1990, as "Korean War Remembrance Day."

On May 8, 1990, I introduced, on behalf of myself and the ranking minority member of the committee [Mr. MURKOWSKI], Senate Joint Resolution 310, a resolution to designate June 25, 1990, as "Korean War Remembrance Day." House Joint Resolution 575, which contains the language of Senate Joint Resolution 310, was passed by the House of Representatives on June 19. In order to ensure the timely passage of this resolution, we elected to use the House resolution to express the Senate's overwhelming support for this most deserved day. I would like to thank the 32 Senators who joined me in cosponsoring Senate Joint Resolution 310, and I'd also like to acknowledge the strong support of the Veterans of Foreign Wars, specifically that of National Legislative Service Director James N. Magill.

The 25th of June is an appropriate day to recall the Korean war and honor its veterans. Forty years ago on that day, in 1950, the Communist forces of North Korea invaded South Korea, igniting the Korean war. For the first time in history, a U.N. command was created. With the United States as the executive agent and main participant, the U.N. command thwarted the invasion.

Many have called the Korean war America's forgotten war, but those who served and their families have never forgotten. Likewise, our Nation should never forget those who fought and died in Korea for the cause of freedom. Almost 6 million American servicemen and servicewomen were involved directly or indirectly in the war, and the freedom and independence they ultimately ensured for the South Korean people came at great sacrifice. American casualties during the 3 years of active hostilities totaled 54,246 dead—of which 33,629 were battle deaths—and 103,284 wounded. Over 300 prisoners of war have never been accounted for.

Mr. President, the value of their sacrifice has never been more in evidence than now, as we witness the power of democracy to break down walls that have far too long divided the peoples of the world. This resolution is one tangible way of honoring the service and commitment of those who endured the rigors of combat and the extremes of a hostile climate under the most trying conditions and still prevailed to preserve the independence of the Republic of Korea.

I urge the President of the United States to sign and implement the joint resolution immediately so that this tribute may be paid by a grateful Nation.

The PRESIDING OFFICER. Without objection the joint resolution is deemed read a third time and passed, and the preamble is agreed to.

Mr. BINGAMAN. Mr. President, I move to reconsider the vote.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF PROCEDURE

Mr. BINGAMAN. Mr. President, I ask unanimous consent following the brief remarks I am going to make, that Senator DOLE be recognized to address the Senate to be followed by Senator WIRTH.

The PRESIDING OFFICER. Without objection, it is so ordered.

A TRIBUTE TO FORMER COSTA RICAN PRESIDENT JOSE FIGUERES

Mr. BINGAMAN. Mr. President, earlier this month former President Jose Figueres of Costa Rica died.

He was a man for whom I had great respect. When I attended Harvard College in the early 1960's, Jose Figueres was a visiting instructor who taught a course in Latin American politics and government. I was fortunate to take that course and to become familiar with his career and the role he played in helping his country of Costa Rica.

Although there are many accomplishments to his credit, I am sure "Don Pepe" will be most remembered for his action in leading his fellow citizens to resist both the Communist and Costa Rican Army's efforts to prevent a duly elected President of Costa Rica from taking office. Later as President himself he dissolved the Costa Rican Army—a step he considered essential in order to maintain democracy in his country.

Mr. President, in 1984 as a Member of this Senate, I traveled to Central America and on that trip, I visited with Jose Figueres in his home in San Jose. I heard him again recount many of the views which earned him his reputation as a fighter for Costa Rica and for democracy.

In this year when we are congratulating ourselves and the Latin Americans for the progress that has been made toward establishing democratic governments in this hemisphere, we need to acknowledge that Jose Figueres played a major part in causing democracy to flourish.

Costa Rica and all of us who make up the peoples of the Americas, are fortunate to have had Don Pepe on our side.

The PRESIDING OFFICER. The Republican leader is recognized.

THE SNOOZE AND LOSE CONGRESS

Mr. DOLE. Mr. President, we have been hearing a lot of rhetoric this week about who is to blame for the national savings and loan debacle. Some slick consultants believe the best way to proceed is to attack President Bush. The best way to take on President Bush with his recordbreaking popularity and job approval rating is somehow to go after him on the S&L matter.

I have always believed there was enough blame to go around, in fact more than enough blame to go around on the S&L front: Congress, this President, the former President, the President before that, regulators, people. But apparently the temptation to play politics in an election year is just too strong for some people.

It is always easy to blame one person, to blame the White House. It

looks good in a press release. But, Pennsylvania Avenue is a two-way street. If we are looking for blame, we do not have to look any further than the U.S. Senate.

Some critics have called Bush the savings and loan President, the S&L President. I say welcome to the S&L Congress. While Congress was snoozing, the American taxpayers were losing. But that has not stopped some Members of the snooze and lose Congress from attacking the President.

If you want some proof, take a good look at this partisan game plan. It is the first 30-second spot of the 1990 campaign, brought to you by the Democratic caucus. This is the cover letter from the Democratic caucus on the House side, with a package of political mischief urging Democrats to hit the airwaves with one message in mind, blame George Bush for the S&L mess; blame the President, not the snooze and lose Congress.

They sent our talking points. "There is no need to pick over the bones of the S&L scandal—we know what happened. What we need do is fix the S&L mess."

No. 2, "Bush is foot-dragging on the S&L cleanup and is already repeating the costly mistakes made by the Reagan administration." In other words it is all Bush's fault; or if not, Reagan's cuts.

No. 3, "Bush supports hiding the cost of S&L bailouts."

No. 4, is "Public discontent with President Bush's mishandling of the S&L bailout is growing."

Every Democrat in the House, and maybe in the Senate, too, received this so-called excellent package, complete with the snappy talking points, I have just referred to, partisan rhetoric for use with their colleagues and constituents.

So let us see this week's S&L offensive against President Bush for what it is: A carefully orchestrated political attack.

I just had a number of my colleagues go up in the Press Gallery and bang away at President Bush at 12:45 today, just in case they had not gotten the talking points and other material from the Democratic House Caucus.

I think we ought to take a look at the facts, and all the facts are not out yet. They will be coming out by the barrels one of these days. I think we will understand the full depth of that when it happens.

But, after listening to all this hype, one would think that the S&L Congress was an innocent bystander to the collapse of the thrift industry. You would think the snooze and lose Congress had nothing to do with the hundreds of thrift insolvencies, with a regulatory environment that encouraged rampant fraud and insider abuse, and with a bailout price tag that will cost

the American taxpayers hundreds of billions in hard earned tax dollars.

The S&L Congress cannot escape from the simple and incriminating facts. Let us take a look at the facts. These are facts. All you have to do is to go to the Library of Congress, pick up the CONGRESSIONAL RECORD, ask somebody to get you the facts. These are the facts.

On February 12, 1986, the General Accounting Office estimated that FSLIC, would need as much as \$22.5 billion in new capital.

That was not very long ago, February 12, 1986.

Fact: On March 13, 1986, Federal Home Loan Bank Board Chairman Ed Gray testified before the Senate Banking Committee that FSLIC would need \$16 to \$23 billion to resolve troubled thrifts over a 5-year period.

Fact: On January 6, 1987, the Reagan administration's \$15 billion recapitalization plan was introduced in the House and here in the Senate.

Fact: On March 2, 1987, a plan providing only \$7.5 billion in new funding for FSLIC—one-half of the amount requested by the Reagan administration—was reported out of the Senate Banking Committee.

Fact: On April 1, 1987, the House Banking Committee reported out a plan providing only \$5 billion in new FSLIC funding. That is one-third of the Reagan administration's original request.

And not surprisingly, the committee vote was a lopsided 45 to 5.

According to the House report accompanying the House's watered-down recapitalization bill, the bill "provided for a strong series of forbearance provisions to ensure that savings institutions and individual borrowers are protected from adverse supervisory actions."

The report goes on to state that the house bill is intended to "permit the continued operation of thrift institutions that do not meet current regulatory capital requirements."

And what is perhaps the worst insult of all, the House report laments that the Federal Home Loan Bank Board "was overly aggressive . . . in its efforts to protect the FSLIC fund."

There is too much regulation; the regulators are too tough; they wanted to save the taxpayers some money. This is what, in essence the report intended to convey.

Fact: On August 4, 1987, after a full-scale lobbying effort by then Secretary of the Treasury Jim Baker, the Congress finally passed a \$10.8 billion recapitalization plan.

Fact: If the Reagan administration's \$15 billion recapitalization plan had been promptly adopted by Congress, the size of the savings and loan bailout would be much smaller today.

Fact: During the FSLIC recapitalization debate, Congressman JIM LEACH,

of Iowa, offered an amendment that would have specifically authorized the bank board to prohibit State-chartered thrifts from making direct investments in certain unsafe or unsound activities, including such so-called traditional thrift activities as the financing of windmills, racetracks, hamburger joints, and stud farms.

The S&L high-flyers won out in the end, when the amendment failed overwhelmingly in subcommittee by a vote of 7 to 30. When explaining his vote against the amendment, one Congressman stated that "we have not had hearings on how direct investments . . . have injured the savings and loan industry. We are making out of this a situation that [simply] doesn't exist."

That is one Congressman's explanation.

Fact: Congressman STAN PARRIS, of Virginia, offered an amendment requiring thrifts to phase in "generally accepted accounting principles" over a 5-year period. Despite GAAP's wide acceptance in the accounting and business communities, the amendment was defeated overwhelmingly by voice vote.

Finally, let me just add that Congress did not pass a perfect bailout bill last year.

It is a bill riddled with conflicting goals for the RTC that make it even more difficult for the RTC to do its job.

The RTC, for example, is supposed to dispose of assets quickly, but it is prohibited from dumping these assets into soft real estate markets. The RTC is supposed to get the best possible return on the assets, yet certain properties must be offered to low-income groups for up to 90 days. And the RTC is supposed to utilize the private sector, yet many of the conflict-of-interest provisions make private sector participation difficult, if not impossible.

With these kinds of congressionally-mandated requirements, it is a minor miracle that the RTC can reduce its asset inventory at all.

CONCLUSION

This is just a small slice of the S&L Congress' own dreary legislative record of the savings and loan disaster.

It is a record strewn with negligence, with lost opportunities, and frankly, with a considerable amount of arrogance.

So I have to shake my head when I see these orchestrated congressional attacks on President Bush.

Three years ago, the Washington Post publicized an editorial entitled "S&L's in trouble."

According to the editorial, Congress was then "hard at work" on a bill to make "S&L regulation weaker than ever."

This is not the Republican leader speaking; it is the Washington Post speaking.

The editorial goes on:

The (Reagan) administration wants to shut down the bankrupt (thrifts). It wants to raise the deposit insurance premiums that S&L's pay and shore up the insurance fund. It wants to crack down on the loose practices that got those failed S&L's into trouble. But the Senate's (thrift recapitalization) bill is inadequate, and the House's is a positive menace.

I see the attacks on President Reagan, all the attacks on President Bush and here is a paper that is not known for its Republican leanings, the Washington Post. I just read an editorial where they are saying in effect that it was the Congress, it was the S&L Congress, it was a snooze and lose Congress that turned its back on this problem.

So it is unfortunate that the savings and loan Congress did not heed these words 3 years ago.

And contrary to what my distinguished colleague, Senator BRYAN, said at the impromptu Democrat press conference, the American people can indeed count on the administration to lead. It was Senator BRYAN saying you cannot get leadership out of this administration. I just say I agree with the view expressed in that Washington Post editorial that Congress has not provided much leadership. We have been dragging our feet. We have been slowing down legislation. We did not want anybody to regulate it. We did not want aggressive regulations of S&L's, so the S&L crooks got richer.

I ask unanimous consent that the full text of the editorial be printed in the RECORD, along with the House Democratic Cause "Talking Points" and President Bush's speech of this morning.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 13, 1987]

S&Ls IN TROUBLE

In a spectacularly dangerous example of misguided sympathy, Congress is hard at work on legislation to make S&L regulation weaker than ever. It has nothing to do with Reaganite enthusiasm for deregulation. The impetus is coming from Democrats and mainly from Texas. The House has passed a bill that would make it harder for an S&L to foreclose on delinquent loans, of which there are many in Texas, and very much harder for federal regulators to close an S&L that is insolvent. The chief regulator says that the bill, if enacted, "will shut down effective enforcement." The S&L's keep arguing desperately that, if they are left alone by the government, things will shortly get better. But the evidence is running strongly the other way.

Out of the nearly 3,200 federally insured S&Ls, some 450 are now bankrupt but still in business and still taking deposits from the public. If they were banks, they would have been shut down long since. But the S&L regulators can't afford to close down these bankrupts because there isn't enough

money in the federal S&L deposit insurance fund to pay off the depositors.

The General Accounting Office audited the fund and reported last month that it too is bankrupt. It had net losses of nearly \$11 billion in 1986 and was \$6 billion in deficit by the beginning of this year. Its caseload of institutions in serious trouble nearly doubled during the year. Its cash and securities on hand, \$4 billion at the beginning of the year, was below \$1 billion by last month.

Meanwhile, the Federal Home Loan Bank Board, which oversees the S&Ls, has reported that April, the last month for which figures are available, was the eighth consecutive month in which withdrawals from the S&L system nationwide were greater than new deposits. That doesn't amount to a run on the system. But if a run were to begin at one of the bankrupts, there's very little in the insurance fund to stop it. Congress would have to use taxpayers' money from the Treasury.

The administration wants to shut down the bankrupts. It wants to raise the deposit insurance premiums that S&Ls pay and shore up the insurance fund. It wants to crack down on the loose practices that got those failed S&Ls into trouble. But the Senate's bill is inadequate, and the House's is a positive menace.

The conference on the two bills is about to begin, at a leisurely pace. If the final result looks anything like the House version, with its anti-enforcement language, President Reagan will have little choice but to veto it.

DEMOCRATIC CAUSUS,
HOUSE OF REPRESENTATIVES,
Washington, DC, June 18, 1990.

DEAR DEMOCRATIC COLLEAGUE: This week's Democratic Message to the American people focuses our attention on the Bush administration's lack of leadership in cleaning up the S&L mess.

As Democrats, we share the growing concern of our working families about the ever-escalating amount of tax dollars the Administration estimates it needs to bail-out insolvent S&Ls. In the past several months, the President's top advisers have more than doubled the estimate they intend to apply to the bailout, and then cautioned that even these projections were soft. Yet rather than putting a stop to this hemorrhaging, the Bush administration is continuing to allow hundreds of failed savings and loans to remain open—further compounding the costs of the S&L bailout by billions of dollars.

It is the costs unseen that truly alarm and dismay America's working families. Our youngest working families are now confronting the first effects of this fiasco when they apply—and are denied—their first home mortgage. And or children will bear the brunt of the President's foot-dragging well into the next century. The schools that will go unbuilt, the bridges that will go unrepaired, and the educations that will go unfunded are the real toll of Bush mismanagement.

I have attached an excellent package on the S&L bailout, which includes S&L facts and Democratic talking points, prepared by DNC Research. I hope that it is helpful as you talk with your colleagues and constituents this week, and in the weeks ahead.

With warmest personal regards, I am

Sincerely yours,

STENY H. HOYER.

Attachment.

TALKING POINTS ON THE S&L ISSUE

1. There is no need to pick over the bones of the S&L scandal—we know what happened. What we need to do is fix the S&L mess.

2. Bush is foot-dragging on the S&L cleanup and is already repeating the costly mistakes made by the Reagan Administration. The result is a doubling in taxpayer cleanup costs to \$500 billion—in just 7 months.

3. Bush supports hiding the costs of the S&L bailout from taxpayers by keeping it "off-budget" and out-of-sight. Democrats, it must be remembered, supported "truth-in-budgeting" on the Bush bailout last year by margins of 181-67 in the House and by 47-6 in the Senate.

4. Public discontent with President Bush's mishandling of the S&L bailout is growing. The mid-February Harris Poll which gave President Bush a 70 percent approval rating also found that 60 percent of Americans disapproved of his plan to bailout the S&Ls.

HEY, GEORGE, HOW MUCH WILL IT COST?

Every time you look the other way, it seems like the Bush Administration is revising its projections on how much Bush's S&L bailout will cost U.S. taxpayers.

In August, 1989, Bush declared that it would cost taxpayers \$166 billion to make sure "these problems will never happen again." (Weekly Compilation of Presidential Documents, 8/89)

In March, 1990, the Bush bailout squad quietly requested an additional \$100 billion in "working capital" from the U.S. Treasury to finance new S&L bailouts in 1990 (WSJ, 3/6/90).

In May, 1990, the Bush Administration admitted the bailout will cost over \$300 billion in the years ahead—double the amount predicted by Bush just 7 months ago (WP, 5/24/90). That same month, the General Accounting Office estimates that the bailout will cost a little bit more—between \$325 and \$500 billion.

On June 14, 1990, Administration officials warned that this latest estimate was a perishable as sour cream on a hot summer day. Treasury Secretary Nicholas Brady explained that the Administration would need. (NYT, 6/15/90)

Federal Reserve Chairman Greenspan put it another way: "the size of this hole is astronomical." (NYT, 6/15/90)

Bush's S&L black hole: just how much will it cost?

YOU TOO CAN OWN AN S&L

Desperate for working cash to bailout additional S&L's, the RTC is selling off control of S&L deposits at firesale prices—to corporate raiders like Ronald Perelman.

On March 15, 1990, the Resolution Trust Corporation (RTC) actually gave North Carolina National Bank \$700,000 to take Bankers S&L of Galveston and its \$104 million in deposits off the agency's hands (RTC Releases).

Three other S&L's—with \$154 million in deposits—have been sold for the price of a new Buick Le Sabre automobile (RTC releases).

S&L buyers are being allowed to pick over the assets of acquired thrifts for months—creamskimming the best assets and returning unwanted, worthless properties to the U.S. taxpayer.

Asset buyers are paying the U.S. taxpayer an average of 60 cents on the dollar for the properties they do want (Southern Finance Project).

And who are getting these "bargain basement" deals? People like corporate raider Ronald Perelman, who was recently awarded the \$2 billion San Antonio Savings Association for just \$10 million (RTC).

ISN'T THIS TAKING KINDER AND GENTLER A BIT TOO FAR?

U.S. taxpayers may be a bit surprised to find out that President Bush isn't just paying off insured deposit holders—under the Bush bailout, everybody in line is getting paid off.

Unless something is done, the Bush Administration is planning to pay off millions—perhaps billions—in uninsured S&L deposits and liabilities (RTC, Southern Finance Project).

So far, the RTC has already paid out \$50 million to investors whose accounts were above the \$100,000 insured limit (RTC).

And because the Reagan and Bush Administrations dragged their feet on closing down failing S&Ls, U.S. taxpayers may be forced to pay off some \$26 billion in mortgage-backed bonds issued by S&Ls during the late 1980s (Business Week, 4/23/90).

Most of these bonds were issued by high-flying S&Ls who had no business being in business—but investors flocked to buy these high-interest bonds because they knew that the federal taxpayer would ultimately foot the bill.

The added cost of President Bush's "generosity" to uninsured investors will be enormous—driving up the cost of the bailout by as much as 33 percent.

ONE OUT OF 21,000 IS NOT A GOOD BATTING AVERAGE

The Don Dixon indictment last week was a long overdue first step in bringing S&L thieves to justice.

Unfortunately, the Justice Department is still dragging its feet on more than 21,000 S&L fraud and embezzlement cases (Washington Post, 3/27/90).

Maybe this isn't surprising given that George Bush decided to spend only \$50 million of the \$75 million appropriated by Congress for the S&L crimes. Mr. President, what's the holdup?

One out of 21,000 is not an unacceptable batting average when it comes to recovering stolen taxpayer funds.

DON'T LET HISTORY REPEAT ITSELF: CLOSE 'EM DOWN NOW

Ignoring the lessons of the 1980s, the Bush Administration is allowing hundreds of failed S&Ls to remain open—compounding the costs of the S&L bailout by billions of dollars.

700 More Failing S&Ls: Are They Being Ignored?

In May 23 testimony to Congress, Treasury Secretary Nicholas Brady understated the true size of the S&L problem, saying that at most 1,000 thrifts will have to close down.

By contrast, the non-partisan Congressional Budget Office predicts that as many as 700 additional thrifts will need to be shut down—at an additional cost to taxpayers of up to \$100 billion (NYT, 6/14/90).

The Costs of Ostrich Mentality

Losses at insolvent thrifts ignored by the Bush Administration will sour because thrift owners, having nothing to lose, often gamble taxpayer funds on risky new investments to try and recoup their losses. These thrifts stay open by paying interest on deposits not from any profits on investments, but from new deposits lured in by excessively high interest rates. And who guarantees

their new deposits? Why taxpayers, of course.

Mr. President what are you waiting for? Take your head out of the sand and learn the lessons of the past. Stop the S&L bleeding today.

U.S. ATTORNEYS, GREAT HALL DEPARTMENT OF JUSTICE, JUNE 22

Well, true villains are drawn from life, not from primary colors. And where financial fraud is concerned, it takes a discerning mind and a determined spirit to distinguish the incompetent from the fraudulent, the unlucky from the unlawful. This Nation is very fortunate to be able to look to you—the U.S. attorneys of America—to make these tough calls. We depend on you, as you work with the FBI and other investigative and regulatory agencies, to sift through piles upon piles of documents, and understand that in the cold numbers of a ledger can be found the tragedy of an embezzled pension, the heartache of stolen savings.

White-collar crime is not as dramatic as violent crime. But white-collar crime still ruins lives. It murders the fondest dreams of whole families. It takes a snake, a cold-blooded snake, to betray the trust and innocence of hard-working people. And so if we have to look under rocks to find white-collar criminals, then we will leave no stone unturned.

This administration, from our first days in office, has worked with Congress to crack down on white-collar criminals. To crack down on fat cat financiers who launder the smell of blood out of drug money, and white-collar crooks who cheat the elderly out of their life's hard work. To bring to justice government contractors who steal by the numbers.

You already know of the 37 convictions from the ill-wind probe of Federal defense contractors. You already know of the 127 people rounded up in Operation Polar Cap's crackdown on drug financiers. (And let me say, I wanted you here today to also thank you—because there are signs that we are starting, at long last, to make progress in the war on drugs.) You already know that among cases involving abuse of HUD contracts, the Department of Justice has already obtained 65 convictions this fiscal year, including 21 convictions in Oklahoma alone, while courts have ordered almost two and one-half million dollars in restitution in that State—more than half of which will come from an executive who has a five-year reservation in prison. In all, the government has won 10,000 financial fraud convictions since 1985. And just last year alone, the Department of Justice aggressively won almost 800 convictions in major financial institution fraud cases—cases involving more than \$100,000 each.

But the most critical financial fraud problem we faced was the savings and loan crisis. Working closely with Congress, we succeeded in obtaining many critical regulatory reforms. But a great deal of wrong-doing had already occurred. And so, in the third week of my administration, I directed attorney-general Thornburgh to give cases of S&L fraud the highest priority. And he did. When it comes to civil action, we have sought restitution to protect taxpayers through tens of thousands of civil suits leveled against S&L executives, owners and borrowers. And when it comes to criminal action, we aim for a simple, uncompromising position—throw the crooks in jail.

This aggressive attitude is paying off. In three years, we've won more than 150 S&L convictions—\$100 million ordered.

In restitution—more than four hundred years in prison terms meted out. And, I know this—because of you and your firm support, there will be more, much more.

Consider all that is happening: an S&L chairman gets 30 years in a celebrated Dallas. An S&L CEO in Santa Rosa is sentenced to prison, and the courts order almost \$7 million in fines and restitution. In Illinois, top officers of an S&L go to prison, and are ordered to repay \$17 million. These cheats have cost us billions. They will pay us back with their dollars, and they will pay us back with years of their lives.

These prosecutions are the result of a determined effort—an effort which we are boosting with 202 FBI agents, 100 more FBI accounting technicians and 188 more United States attorneys. The Dallas task force has been particularly successful, obtaining 52 convictions; so successful, in fact, that Attorney-General Thornburgh is expanding the task force concept to 27 cities. We could have been moving even faster but Congress did not act on my request for \$36.8 million in additional investigative and prosecutorial resources for 1989. Further, approval of my request for \$50 million for the current fiscal year was delayed.

Under Secretary Brady's leadership, the IRS is aggressively pursuing individuals suspected of tax fraud in connection with failed savings and loan institutions; while the resolution trust corporation is adding about 300 members to its investigative staff this year, to become part of a new national investigative network. The FDIC is pursuing more than 1,200 cases of fraud and negligence against thrift officials, attorneys and accountants, and has collected more than \$120 million in damages this year. Treasury's Office of Thrift Supervision has also required 664 institutions to agree to terminate unsafe and unsound practices, removed more than 150 senior thrift officers and directors, and issued 111 cease and desist orders to stop unsafe and unsound practices.

Throughout it all, our men and women in the Federal agencies are doing a great job, from the halls of Justice and Treasury, to the passport clerk who recovered \$3 million in cash, jewelry and gold by keeping a former savings and loan owner from skipping the country.

We are learning a lot from our successes, including how much more there is to do. So I am here, today, to back new legislation and administrative action—further ways we can crack down on white-collar crime.

First, let me declare my support for a proposed amendment to the omnibus crime bill to enhance and enforce the civil and criminal penalties for fraud against financial institutions. This legislation, sponsored by Republican leaders BOB DOLE and BOB MICHEL, and Senators HEINZ and GARN, as well as Congressman HILER and WYLIE, will strengthen our investigative and prosecutorial tools in the service of justice. And it will provide added protection to the victims of crime.

We want to allow the use of court-approved wiretaps in investigating bank fraud. We also want Congress to authorize Federal regulatory agencies to ask the courts to freeze the corporate and personal assets of defendants in civil cases involving financial institution fraud—so that they will not leave the taxpayers high and dry. And we want to prevent rip-off artists from using

bankruptcy as a strategy to avoid paying damages.

These are some of the legislative steps we can and must take. But we must also build on our recent successes by taking further administrative action. The attorney-general will establish, within the Department of Justice, a new unit to direct and sharpen the Department's actions even further, while helping to coordinate actions with other agencies.

Where new problems emerge in S&L's, we will need to get involved fast. That's why Attorney-General Thornburg and Secretary Brady have created a new approach—rapid response teams against fraud—teams of razor-sharp prosecutors and auditors recruited from their departments and other agencies—striking city by city—teams that will jump right into the paper chase, teams that will hit the trail while the trail's still hot.

These teams will be deployed to help you—the U.S. attorneys. And I am confident they will work well with you. I have already seen the men and women of these two departments working together, sharing a tenacious spirit, born of a thirst for justice. Of course, we always quantify the importance of our work together in terms of billions of dollars lost. But, perhaps it is more appropriate to remember why this mission is so important to so many people—a thought that will sustain you in the months to come, as you sip cold coffee long after everyone else has gone home. You will be working late because you will not let those people be forgotten—savers whose hard work and honest trust must be protected; elderly people whose faith in the future must be preserved.

It is your duty, your sacred duty, to right these wrongs, to stand up for the vulnerable against the unscrupulous, the guileless against the conniving. We will not rest until the cheats, the chiselers and the charlatans spend a large chunk of their lives behind the bars of a Federal prison.

You do a difficult job in a spirit of professionalism. I can only thank you, on behalf of all Americans, for your dedication—your dedication to justice.

Thank you for coming to Washington. May God bless each and every one of you, and may God bless America.

Mr. DOLE. Mr. President, earlier today, President Bush publicly endorsed an amendment that Senators HEINZ, GARN, and myself intend to offer to the crime bill.

This amendment will significantly beef-up the Government's enforcement powers to combat thrift fraud.

The amendment will incorporate the provisions of the Taxpayer Recovery Act, which I introduced last year with Senator KASSEBAUM.

These provisions will make criminal restitution orders issued against those who have defrauded financial institutions nondischargeable in bankruptcy. In this Senator's view, someone who has flouted the law for so many years should not be allowed to take advantage of the protective shield of the bankruptcy code.

The Heinz-Dole-Garn amendment also gives the FDIC priority over other creditors and shareholders in court proceedings against the directors and officers of insured financial institu-

tions. It directs the Federal courts to give thrift fraud cases expedited treatment. And it grants to the OTS, the RTC, and the FDIC the authority to freeze the assets of a financial institution if there is a substantial likelihood that these assets will be unjustly dissipated.

These ideas are the brainchild of Senator HEINZ, and he should be commended for them.

The Heinz-Dole-Garn amendment grants subpoena authority to the FDIC and the RTC when acting as conservator and receiver. It grants authority to the Federal banking agencies to engage in joint enforcement activities with their foreign counterparts. And it establishes a specific criminal offense to conceal assets.

So these are all, I think, steps in the right direction, a way to "clean up the mess." I am certain there will be good ideas coming from the other side of the aisle.

We have heard a lot about enforcement personnel. We have heard a lot about what we should be doing. Maybe we can do it together. Maybe we can find bipartisan support. Maybe we can stop attacking those who had no responsibility for the problem in the first place.

So I suggest as we move into this very troublesome problem, and it is going to be a troublesome problem, that we make certain that we know precisely what the facts are. The record is there. You cannot erase the record. Maybe there is a feeling that the American taxpayer and the American voter have a short memory and they are not going to look back and see what Congress did in 1985, 1986, 1987, 1988, 1989. They are going to blame whoever might occupy the White House, or whoever might be in the Congress.

So I believe it is in our interest that we make the record clear, that the American people understand—whether Republicans or Democrats or Independents, that they understand the record. Then let them make a judgment.

Mr. President, there is going to be focus on a lot of different problems, a lot of different S&L's, a lot of different practices by some of the people involved in S&L's. I think one of the most interesting in Centrust, Mr. David Paul. I do not know Mr. David Paul. I understand he contributed to my Presidential campaign. I thank him now for that. But many Members know him quite well. They had meetings with him. They were on his boat, in his airplane. He raised a lot of money for the Democratic party, a lot of money, big money. He was right there at the Democratic Convention and had a great time. And so as the facts start to unfold, and they will unfold in this and other cases. Again, I think it is incumbent upon us to act

responsibly. It is easy to stand up in a press conference and say, well, it is President Bush's fault or it is somebody else's, the regulators' fault. It is not the fault of Congress; we did not have anything to do with it. We are only the Congress of the United States.

So as we review the David Paul overview and the articles and excerpts from major newspapers, when we look at his political contact summary and we look at the supervisory history of the Centrust Bank and we look at the summary sheet of Paul and Centrust political contributions, and we look at his authorized luxury expenses, which were enough to boggle the minds of anybody in my State—corporate jets, the *Grand Cru* yacht, and many other things that I am certain we would be happy to discuss at any time—let us keep in mind that the record is not yet complete.

What we should be doing instead of pointing fingers is trying to find some way out of this morass without costing the taxpayers billions and billions of dollars more than it should. One thing we need to do is to revisit the bill we passed last year and make some determinations whether we might take out some of the conflicts in the law that we passed. Some of the amendments that were put in by Congress are the very things holding up progress in disposing of assets.

Mr. President, I thank my colleagues, and I hope that as we take a look at what Mr. HOYER was kind enough to pass out to all the Democratic House Members, when he is talking about America's working families and about home mortgages and then he is blasting President Bush, everything is President Bush's fault—if you do not believe it, I have this nice little fact sheet you can take with you to all your rallies and maybe you can convince them that President Bush, and not the snooze-and-lose Congress, is to blame.

So we will have more of these fact sheets and more of these discussions. Hopefully, our colleagues will be more objective the next time. But again I commend the record to my colleagues. The facts are there. We cannot erase what happened in the Congress or what did not happen in the Congress, and what did happen is precisely what the Washington Post said. The House action was a menace.

I thank the Chair. I yield the floor. The PRESIDING OFFICER (Mr. BUMPERS). The Senator from Colorado.

Mr. WIRTH. I thank the Chair.

THE S&L CRISIS

Mr. WIRTH. Mr. President, it is very clear to those of us who have been attempting to raise the issue why more

of the people with ill-gotten gains, who have defrauded the American public, are not going to jail. Those of us who have been raising that issue for the last few months have finally received the attention of the Justice Department and the White House. I think that is a good thing. I hope now we can go forward as suggested by the distinguished Republican leader in providing the resources to the Justice Department and making sure people in fact are going to jail who ought to be in jail.

Since the Bush administration came into town in early 1989, we have all been working on the enforcement effort, Mr. President. The Bush administration proposed the FIRREA legislation and the FIRREA legislation passed the Banking Committee and passed the Congress—a very complicated, very comprehensive piece of legislation, steps in the right direction, passed in record time.

In the FIRREA legislation, Mr. President, was a package designed to do two things: There was one group designed to look back at a lot of the deals that were cut in 1988. There were a whole lot of very, very major commitments made to S&L's, to bail them out, deals that were made right at the end of the Reagan administration, and there have been a number of allegations that there was some real hanky-panky going on in some of these deals and in the legislation we provided resources to look at that issue.

We also provided resources, Mr. President, \$75 million authorization to the Justice Department, to the administration, to go out and enforce the law and throw people into jail. We said these are very complicated cases. We said to the administration, you are going to need more resources; you are going to need more assistant U.S. attorneys, more accountants, more FBI agents. We expect you will come back and tell us what you need. You have the authority to go ahead and hire these individuals. We assumed, Mr. President, that the administration would come in with that set of requests.

That legislation passed the Congress in August 1989. Then through the fall we expected that the administration would put together their request and come to the Congress and ask for the resources necessary to do the job.

It became increasingly clear that they were not asking for the resources necessary to do the job. The Attorney General provided us one plan in December 1989—and I will come back to that—and I want to put that in the RECORD. But then after those requests came in, it became clear that a lot was not happening. We began to get tales about so many cases down at the FBI that were unanswered.

We have talked about those on the floor. There are thousands and thousands of referrals to the FBI unanswered, thousands of referrals to the Justice Department unanswered, thousands of specifics, up to hundreds of thousands of dollars unanswered. We began to get a litany of all of these and to look in greater detail at what they were.

At that point I said why not go back and make sure that the administration is, in fact, spending the money we told them to spend, so that they have the resources and are hiring the people. We found a transcript over on the House side of one of the assistant attorneys general who said, "We can't spend the money. We don't know how to spend the money."

We thought this seems bizarre when we have the situation of these thousands of cases down at the FBI and thousands of cases at the Justice Department and the administration is saying they cannot spend the money. That does not make a lot of sense.

So at that point, Mr. President, I offered an amendment to the emergency supplemental appropriations bill, and this is where the spotlight began to shine on this whole issue and we began to get the attention of the Justice Department and the administration. That amendment was a very simple idea, Mr. President. The emergency supplemental authorized some \$30 million to promote tourism in Panama.

Now, we may be for the promotion of tourism in Panama, but I looked at that list and I said to myself that looks like a boondoggle to me. We only spend \$14 million in the United States overall promoting tourism. To spend \$30 million to promote tourism in Panama is an invitation to fraud. This cannot be the case.

So I said, OK, why not transfer that \$30 million to promote tourism in Panama to the administration to fully fund implementation of the law. It seemed reasonable. I could not imagine very many Americans who would rather promote tourism in Panama than put people into jail. Let us put these people into jail and give the administration all of the assistance it should have.

A point of order was raised by the minority on this issue, that we could not do this, we should not do it, and despite the fact we had a majority in the Senate, that point of order required 60 votes and we continued to fund tourism in Panama and continued to be delinquent in terms of funding and hiring the FBI agents and assistant U.S. attorneys necessary to do the job.

But the amendment was out there, and it received a great deal of discussion, and out of that Senator Dixon gave his very famous speech second only to the cross of gold speech in

world rhetoric, the small potatoes speech. Senator Dixon gave that speech and the issue was joined.

At that point, Mr. President, we began to get all kinds of material in over the transom. That material said, in fact, the FBI had asked for 224 more FBI agents than the administration had requested from the Congress. The FBI went to the Justice Department and said we need 224 more FBI agents. The Justice Department asked the Office of Management and Budget for 113 more assistant U.S. attorneys and 142 more support staff positions. All these requests were coming in and we began to hear from the FBI and others saying we desperately need these resources. So the agencies needing to do the job down at the working level said we have to do the job, and the political level over here in the Justice Department and OMB was saying we cannot spend the money, we are not going to give you the money.

So there was a great deal of differences between the rhetoric of the administration and the reality of the need, and that became clearer and clearer and clearer.

After the so-called Panama amendment and the Dixon small potatoes speech, it really erupted. There were many pieces of legislation offered on the House floor, many pieces of legislation offered over here and the issue became public.

We have been accused that this is something new, that we are attaching some kind of a new process and a new program. Nothing could be further from the truth. This dates way back to 1989 when we were working with the administration to attempt to put together the enforcement package that was necessary. Somehow they lost the sense of urgency and they stopped doing the job. It is our job to raise this issue and to continue to raise this issue and maybe move them back up to a sense of urgency about this problem that our constituents feel.

I can tell you, Mr. President, there are hundreds of thousands, millions of Americans who are deeply concerned about his, deeply concerned about the fact that they have lost an enormous amount of money and deeply concerned about the fact that there are still a lot of people out there floating around on their yachts, living in their fashionable flats in the West Bank of Paris, flying around in their private aircraft, driving around in fancy limousines at the taxpayer's expense. It is my belief and that of many, many others that those individuals ought to be thrown into jail; and that we ought to get all of the resources to go after them, and we should get our Justice Department to do exactly that. That is what this battle is all about.

There is no partisan politics in this. This effort has been a joint effort

coming out of the Banking Committee and elsewhere for a long period of time. The difference is not a partisan issue. The difference is one of us in the Congress saying to the administration "You all have an obligation and you had better discharge it," saying to the administration, "You should be serious about the job you are elected to do as well. Do not sit back on this most important issue," saying to the administration, "There is a sense of urgency out across the country and you had better reflect that sense of urgency. That is what you were reelected to do."

That is what we have been attempting to do and the temperature on this issue has gone up. Thank goodness it has gone up. Thank goodness the Justice Department, OMB, and the White House now understand that they had better get on the job, and start doing the job they were elected to do.

The President recognizes this and called into Washington today some 95 U.S. attorneys from around the country. They had a conference today. The U.S. attorneys, and the President, had a media event. He spoke to them, and through that media event said to the American people we are now going to get on the stick, we are now going to get going, and the President announced a program.

The President announced a program. In the Bush press conference he said, "These prosecutions"—talking about prosecutions that have been done—"are the result of a determined effort, an effort" in which we are boosting—and now listen carefully, Mr. President, because this is what the President of the United States told the American public—"an effort *** boosting to 202 FBI agents, 10 more FBI accounting technicians, and 118 more U.S. attorneys. The *** task force," he went on to say, "is particularly successful, obtaining 552 convictions *** so successful, in fact, Attorney General Thornburgh is expanding the task force concept to 27 cities."

So the President said at his press conference today, the President of the United States told us they are going to boost their efforts with 202 FBI agents, 100 more FBI accounting technicians, 118 more U.S. attorneys, and do that in 27 cities.

I heard that and I said to myself, that sounds very familiar. I have heard that before. So we went back and went through the history of this issue. I found the release that I referred to earlier from the Justice Department and Mr. Thornburgh in December 1989. "Thornburgh Announces 27-City Attack on S&L Fraud." Strangely the same as to what the President said today, 27 cities—parallel—he said 27 cities today, Thornburgh 6 months ago said they were going to do 27 cities.

So I look back through the press releases. I found on page 4 of the press release that Mr. Thornburgh said in December 1989 they were going to hire a total of 202 FBI agents. Those are the same numbers the President suggested today in his press conference. Six months ago Mr. Thornburgh said what we are going to do is get 100 FBI accounting technicians. Why, the President said today 100 more FBI accounting technicians, 6 months later.

Mr. Thornburgh said what we are going to do is have 148 field office people. The President said 118 more U.S. attorneys. The only difference was down from what Thornburgh said. What is this?

Mr. President, I suggest to you what was just said to the American people this morning by the President of the United States in a press conference in which he said they are going to boost it to this level is exactly, exactly the same proposal that Mr. Thornburgh suggested in December 1989.

One of two things is true in this. Either Mr. Thornburgh, who said he was going to do this in December 1989, did not do it, in which point we are absolutely accurate in pointing out that these people have been delinquent in carrying out the job they were elected to do, either Mr. Thornburgh did not do what he said in his press conference they were going to do, or, Mr. President, this is a press flimflam job that was perpetrated on the American public in a press release today.

Why in the world would there be such a parallel between what the President told the country today, exactly the same number of people, exactly the same number of agents, exactly the same number of accountants, exactly the same number of cities, pretending that is some new initiative that the administration is taking on?

I think it is time, Mr. President, that we get honest about this and be honest with the American public. This is not a partisan issue. This is an issue, Mr. President, that demands honesty, and demands being straightforward about what the facts of the situation are.

Let me add one final note, if I might, to this.

There was also reference this morning coming out of the White House that the Congress had been delinquent in providing \$36.8 million to the administration, \$36.8 million to the administration. They tried that once before. They tried that on June 9, 1989. "Justice complains that Congress quietly rejected \$36.8 million that Bush Requested."

They tried this in June 1989. They tried the same, Congress is to blame, and delinquent in providing the \$36 million. The response to that came in a letter from the chairman of the Banking Committee, Senator RIEGLE,

and the distinguished Senator from Missouri, Mr. BOND, not a Democrat.

Mr. BOND is a Republican who quietly and calmly wrote back in a bipartisan way to the President of the United States saying to the Attorney General:

DEAR MR. ATTORNEY GENERAL: We are concerned that we were never contacted about this matter. When you testified before the Senate Banking Committee on February 9, 1989, you were specifically asked whether you needed more than the \$50 million requested. Your answer was that "If it appears to be a shortfall of our needs in any dramatic way, we will not hesitate to raise that as well."

The administration never requested the funds. That point was made in a letter from Mr. BOND, a Republican Senator, Senator RIEGLE, a Democratic Senator, back to the Attorney General when they tried in 1989 to do the \$36.8 million accusation. It was inaccurate then, Mr. President. It was inaccurate when perpetrated on the Congress and on the American people today.

This is not an issue of partisan politics, Mr. President. This is an issue of honesty. On the issue of these task forces and the number of people, we must have the White House tell us either the Attorney General did not do the job that he said he was going to do last fall, and the President had to repeat his proposal today, or the proposal made today was not an accurate proposal, and was not an honest proposal.

We want to ask the administration, where is the evidence, other than what they tried to do a year and a half ago on the \$36.8 million; evidence, Mr. President, that was requested at that time by the distinguished Senator from Missouri, Senator BOND, and the chairman of the Banking Committee.

I will close with this. I am led to believe that what we had was a photo opportunity downtown this morning with 93 U.S. attorneys. I thought to myself, Mr. President, we have had a photo opportunity. Senator KERRY pointed out earlier, they could have used the FAX machine to send all of this information out to all those 93 U.S. attorneys who were flown in—I am sure, at taxpayers' expense—for the White House's photo opportunity.

I say to myself, how much do you suppose it costs to bring 93 U.S. attorneys from around the country and fly them in here? They have to spend the night somewhere, they have to eat somewhere, and take transportation in and back from the airport, and they have to get back out to the airport, and fly back to their homes.

Do you suppose that is \$1,000 apiece? It is probably reasonable to assume that it costs at least \$1,000 apiece to bring 93 U.S. attorneys to town for a photo opportunity.

Maybe it is not \$1,000 apiece, Mr. President; maybe it is only a little more than \$500 apiece. Let us assume

that the cost to the taxpayers was \$57,000; assume it was less than \$1,000 a head to bring these U.S. attorneys in here for a photo opportunity.

Why do I pick \$57,000? I will tell you why. Because late last year, several savings and loans in Texas were put together and taken to a central repository, and the assets of those savings and loans were sold off. The assets of those savings and loans estimated, as Senator PRYOR pointed out in reports from the General Accounting Office, at \$3.3 million came out to a net sale, a net return to the taxpayer, of \$57,000, a deal that was made late last fall, and netted the taxpayer \$57,000—enough, I argue, Mr. President, to pay for the photo opportunity that was perpetrated on the American public today.

This is not an issue of partisan politics, Mr. President. This is an issue of honesty in Government. This is an issue of being straightforward about who is working on this issue. This is an issue about providing the resources and being straightforward about it.

If the administration has a problem, come up here and say they have a problem. If the administration wants more resources, come up here and say they want more resources. Let us not try to sweep it under the rug, try to fool the American people, try to cover it over with a photo opportunity downtown today.

Let us all join together and go after this, and find out who is responsible, find out where the people have cheated, where the people have stolen, and get that money back to the taxpayers. And I hope, Mr. President, it is more than \$57,000. Get that money back to the taxpayers where it belongs, and make sure that the people who have those ill-gotten gains not only disgorge those ill-gotten gains, but find themselves going to jail. That is what this issue is all about.

A final note, Mr. President: A suggestion was made a little bit earlier that all of us have received our talking points from the Democratic caucus. I ask unanimous consent, to have printed in the RECORD the press release put out by the Justice Department on December 7, 1989.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THORNBURGH ANNOUNCES 27-CITY ATTACK ON S&L FRAUD

WASHINGTON, D.C.—Attorney General Dick Thornburgh today announced plans for "a 27-city attack on savings and loan fraud" through the deployment of more than 400 additional federal prosecutors, FBI investigators, and accounting personnel.

"Wrongdoing in the savings and loan industry may turn out to be the biggest white-collar swindle in the history of our nation," Thornburgh said. "It poses an enormous and unprecedented challenge to the Department of Justice. But because of President Bush's leadership in winning passage of his savings and loan bill and the financial sup-

port provided by Congress we are now ready to implement a plan to crack down on those responsible.

"Our goal is to bring to justice all those who have sought to capitalize on the American dream of home ownership by cheating our citizens out of their savings and destroying the financial solvency of institutions designed to serve them. This uniquely sinister exercise in fraud and dishonesty may force the taxpayers to pick up a bill of more than \$50 billion in defaults," Thornburgh stated. "Without a vigorous prosecutive effort, the serious problem of fraud and insider abuse might only worsen and could recur again."

FBI Director William S. Sessions said, "These FBI investigative resources, in addition to the 59 agents recently added to bank fraud cases nationwide, will be allocated to target cities where alleged criminal violations in the banking and savings and loan industries are most acute.

"Complex bank and thrift fraud investigations are often tedious and long. Investigations involve owners, board members, and high-ranking bank officials and often take place against a backdrop of seemingly legitimate business transactions," Sessions added.

The Attorney General also cautioned that savings and loan fraud cases like other white-collar "crime in the suites," require time-consuming "paper-chases" which usually entail many months of exhaustive investigations. "White-collar criminals steal without being seen," he stated.

"There are already over 8,000 pending bank fraud cases now. Prosecutions of those who are accused of violating the law will come—perhaps not as quickly as we would like—but they will come."

Congress recently funded the President's savings and loan bill which allocates to the Department of Justice \$48.5 million to help clean up the industry.

"Our current efforts at savings and loans prosecutions have primarily been focused through the Dallas Bank Fraud Task Force which will act as a national model," Thornburgh pointed out.

"The Dallas Task Force thus far has brought criminal charges against 57 defendants, with 46 convictions so far, only two acquittals and over \$10 million ordered in restitutions. Convictions have included bank chairmen, presidents and vice-presidents.

"As a result of the additional funding, I am directing that the resources assigned to the Dallas office be doubled and that additional resources be directed at conducting a truly comprehensive nationwide investigation," The Attorney General said.

Marvin Collins, U.S. Attorney in Dallas praised the President, Congress and the Attorney General for the new prosecutors and FBI agents, "the cavalry has arrived and we are ecstatic. The Dallas Task Force has proven its worth. The doubling of the Task Force will enable us to make even more serious inroads of bank fraud referral."

Thornburgh's plan targets 26 other cities for Department Task Force investigations with substantial resources going to priority areas of Dallas, Houston, Kansas City, Los Angeles, New Orleans, New York, and San Antonio.

Thornburgh pointed out that plans for assigning additional federal investigators and prosecutors resulted from almost a year of planning and consultations with U.S. Attorneys and FBI management personnel. A total of 202 FBI agents and 148 prosecutors will be involved in the nationwide effort.

Recruiting of additional attorneys and agents has also been ongoing. He added that

he expected the new Assistant U.S. Attorneys to be "on the job and on the trail" early in the new year. Thirty attorneys will also be added to the Tax and Criminal Divisions in Washington, D.C. to assist in the investigations. Six Assistant U.S. Attorneys will be kept in reserve for field assistance. Over 59 FBI agents have already been assigned to cities with a high concentration of savings and loan fraud case. In addition, 100 FBI accounting technicians will be assigned to FBI field offices and 20 accountants will be assigned to U.S. Attorneys.

Attached are targeted areas with their allocated resources for savings and loans investigations:

ALLOCATION OF FBI SPECIAL AGENTS AND ASSISTANT U.S. ATTORNEYS

FBI divisions	Special agents	FBI AT ¹	Assistant U.S. attorneys	
			Area	Number
Anchorage.....	2	1	Alaska.....	1
Atlanta.....	3	1	ND Georgia.....	2
Boston.....	3	1	MD Georgia.....	1
Chicago.....	4	2	Maine.....	2
Cleveland.....	2	1	New Hampshire.....	1
Dallas.....	37	17	ND Illinois.....	3
Denver.....	8	4	ND Ohio.....	1
El Paso.....	1		ND Texas.....	12
Houston.....	27	14	ED Texas.....	3
Kansas.....	10	5	Colorado.....	3
Little Rock.....	4	2	Wyoming.....	1
Los Angeles.....	27	14	WD Texas.....	1
Memphis.....	1	1	SD Texas.....	15
Miami.....	4	3	Kansas.....	3
Minneapolis.....	5	2	WD Missouri.....	3
Newark.....	3	3	ED Arkansas.....	2
New Orleans.....	12	5	CD California.....	15
New York.....	10	4	WD Tennessee.....	1
Oklahoma City.....	10	4	SD Florida.....	2
Omaha.....	4	2	Minnesota.....	2
Philadelphia.....	1	1	North Dakota.....	1
Phoenix.....	6	3	New Jersey.....	1
Sacramento.....	1	1	ED Louisiana.....	3
San Antonio.....	8	4	MD Louisiana.....	2
San Francisco.....	4	3	WD Louisiana.....	2
Seattle.....	3	1	SD New York.....	3
Tampa.....	1	1	ED New York.....	3
Financial Crimes Unit, White Collar Crime Section, FBI HQ.....	1		WD Oklahoma.....	5
			Nebraska.....	1
			ND Indiana.....	1
			ED Pennsylvania.....	1
			Arizona.....	3
			ED California.....	1
			WD Texas.....	5
			ED California.....	3
			WD Washington.....	3
			MD Florida.....	1
Subtotal.....	143	100		112
Division (already assigned).....	59			24
				6
				46
Total.....	202			148

¹ FBI accounting technicians.

² Criminal.

³ Tax division.

⁴ Reserve.

⁵ 20 auditors will be assigned to U.S. attorneys.

Mr. DOLE. I only gave four little points there, really, pages of talking points that went out with this letter from Mr. Hoyer, on the House Democratic side.

I want to make certain it was not just these four isolated talking points. There are others—one titled, "Hey, George, How Much Will It Cost," another titled, "You, Too, Can Own an S&L," and another titled, "Isn't This Taking Kinder and Gentler a Bit Too Far?" None of this is partisan, as the Senator from Colorado pointed out. Here are some titles: "One Out of

21,000 is not a Good Batting Average." "Do Not Let History Repeat Itself."

So there are pages and pages of talking points. This material has been printed in the *RECORD* in addition to the four points I specifically referred to.

Mr. President, I just say for the record that our indications are that the Attorney General made the request for \$36 million. If he did not make the request, somebody is in error. Maybe the Senator from Colorado is correct, but our records reflect that there was a request for \$36 million. It was denied by Congress.

Maybe they should have flown all these attorneys in on the jet that many Members have flown in on, Mr. Pauls'. Maybe he could have picked them all up and saved the \$57,000. Maybe the attorneys could have ridden on the Paul yacht. Maybe they could have had a series of meetings with Mr. Paul and the others.

So we can all take cheap shots about the photo opportunities. The President is sincere in what he is doing. And I think he is doing a good job.

I have placed in the *RECORD* the number of cases that have been pursued, the number of convictions that we have, and the number of institutions that have agreed to terminate unsafe and unsound practices, and what happened in the Dallas Thrift Fraud Task Force, and the convictions they have obtained. These statistics are all outlined in the President's speech.

Let's face it: Convictions do not just happen overnight. Let us take the Senate Ethics Committee, and maybe the Democrats can speed up the process there. Some of our own colleagues on both sides of the aisle have been waiting months and months and months to have their cases disposed of.

We do not need to look beyond the Senate. We do not need to point the finger at President Bush or the Attorney General. These things take time. I am not, in any way, criticizing anybody on the Ethics Committee. Why should it take 8 months; why should it take 14 months; why should it take 15 months? Well, it does.

So when someone stands on the Senate floor and says, "Why do they not have all these people behind bars? It has been 6 months, or 7 months, or 8 months, and we ought to ask ourselves, why have we not disposed of the cases pending in the Senate? Why has it taken so long?"

I have been around long enough to smell politics. You can stand up and deny all day long that this is not political; and, frankly, this denial is not accurate. Saying this is a photo opportunity, and complaining about the \$57,000, will not wash.

If we are going to demand action in 30 or 60 or 90 days, it ought to start

right here. This is one place we can control. I feel for my colleagues, who wait month after month after month after month for their cases to be disposed of.

So I say, as I said when I completed my statement, I think there is going to be egg on everybody's faces before the S&L matter is over. Maybe some of the regulators, maybe former Presidents, maybe former Members of Congress, maybe sitting Members of Congress. But the point is that we have a problem.

And we need to address the problem. We need to tell the Attorney General when we give him money, whether it is \$50 million or \$75 million, whether it is for 100 more agents or 200 agents, or whatever. I have asked him the same question, why does it take so long?

Well, in America, people are entitled to have a trial. We have a Bill of Rights. We have been hearing about the Bill of Rights during the flag debate. People have rights in America. No matter what they have done, they have rights, and they can delay, and they can stall and do a lot of things in an effort to protect their rights.

If we are getting suggestions from the other side of the aisle that we ought to take away the rights of Americans regardless of how despicable their crimes may be, they ought to get up and say so, that they should not have the right to attorneys, or trials; they ought to go right to jail if they had anything to do with an S&L.

This will not be the last discussion of this matter. People are going to jail, money is being recovered, and the depositors have been protected. We can go back and comb the records and find out who testified and how Senators voted and how Members of Congress voted on every issue if that is how we are going to try to reconstruct what happened in the fall of the S&L industry.

I am not certain we can do much about yesterday, but we might be able to do something about tomorrow if we do not preoccupy ourselves with trying to get a little political mileage, as was done today, as has been done by the Democratic caucus.

I do not consider the Attorney General's report to be talking points. I consider that to be a report. If somehow there is some disagreement with the Attorney General, you ought to call him up before the committee and ask him about his veracity or accuracy of what he said. I have found him to be a decent, honest person.

But it seems to this Senator that if we are going to have these continued attacks and finger pointing at President Bush, then we are going to do what we can on this side—not to defend the President; he does not need defending—we are going to do what we can to point out what happened in Congress all these years. We are going

to reread that Washington Post editorial to recall every opportunity we have that tells how the House action was a disaster and that Reagan was on the right track—and, as I said, the Washington Post is not a Republican-leaning paper—in an effort to remind the people of America that it was the Congress, not President Bush, dragging its feet. It was Congress who dragged its feet and stalled and cut down the funds requested by the President, and now, Members of Congress stand back and say, oh, look what happened. Why didn't we do something? Why didn't we do it early? Why did we not spend a little more money? The answer is Congress would not spend any more money.

So we can all have a lot of fun, I guess. It is politics. It is a game to some.

When you bite the dog, when you attack the President, that might get you on the nightly news somewhere. But President Bush, in my view, has acted properly in this matter. And you are going to be seeing more convictions and more incarcerations and more money recovered.

I know I am as frustrated as the Senator from Colorado or anyone else; we would like to have it done yesterday. We do not want to wait a week or 2 weeks or 3 weeks.

I think, as I said, the best indication that things do move slowly is take a look at the Ethics Committee on the House or the Senate side. They have a tremendous responsibility. They have to protect the rights of our colleagues, and they also have to do a very difficult job. So it takes some time. That is the point I would make. I see the Senator from Arkansas. He is a member of that committee and knows how tough it is.

But, above all, we want to preserve the rights; at the same time we are trying to determine the guilt of all those who have been, or will be, or should be, charged because they ripped off the taxpayers in the S&L mess. So I hope we are prepared on both sides of the aisle to take a non-partisan look with the administration. If that is the case, then I think we can have success.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. WIRTH. Thank you Mr. President.

Mr. President, I am pleased that our colleagues from the Republican side are joining us in asking the administration to increase their efforts. I can only assume, if they were fully satisfied with what the White House was doing, they would not be making all the proposals outlined in some detail by the distinguished Senator from Pennsylvania this afternoon. I am glad to have them joining us, and I think this ought to be an effort that is, as it

was in 1989 until about 3 weeks ago, a nonpartisan effort. I hope, as well, that maybe in that spirit of cooperation the minority might help us to understand the differences, if there are any, between what the Attorney General told the country last December and what the President told the country this morning.

I hope, Mr. President, that I am mistaken in my understanding of the parallels between these two, and I hope that our Republican colleagues can help us out on that front as well.

I yield the floor.

The PRESIDING OFFICER. The Senator from Arkansas.

FAILED THRIFTS

Mr. PRYOR. Mr. President, I have come to the floor this afternoon basically to have printed in the RECORD and to ask unanimous consent that I be able to have printed in the RECORD the report referred to earlier by the distinguished Senator from Colorado prepared for me at my request by the General Accounting Office.

Mr. President, I ask unanimous consent that immediately following my brief remarks, this report, dated May 1990, be printed in the RECORD at the appropriate place.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PRYOR. Mr. President, the reason I am having the report printed in the RECORD at this time, even though there were still followup investigations that my staff was involved in, I think if I put the GAO report in the RECORD today, it will actually save the taxpayers a lot of money. I have about 150 requests for this report, and I think to put it in the RECORD not only would save a lot of money, but it would be much more convenient for people to refer to it there. This, of course, is the situation in Texas where there were some \$3.3 million in assets and where the taxpayers ultimately received around \$57,000 in net proceeds.

Mr. President, also, upon arriving on the floor a moment ago I heard the remarks of the very distinguished Republican leader. I do not want to misquote him if he is not in the Chamber at this time. As I was walking in the door, he said there is going to be a lot of egg on a lot of faces around here.

Mr. President, I would first like to say there is egg already on my face. I stood on the floor of this Senate not only on one occasion, but on several occasions and said that I as a Member of the Senate for the last decade am partly responsible for this fiasco that is probably the greatest financial fiasco and certainly the greatest financial dilemma that has visited this country in the 200 years of our histo-

ry. I have accepted blame, Mr. President. I am a part of those people who should be blamed. But I do not want to be the only one blamed. I do not want to be blamed, for example, Mr. President, for the President's chief spokesman, Mr. Fitzwater, for being one of those individuals in a political party who is to share the burden and the full responsibility for this blame.

I think, as some have said, there is certainly enough blame to go around. I just want the record to show that I myself have accepted a great deal of this blame. I think a lot of us will before this is over with. But to have the sort of, I guess you would say, implied threat that we are going to see a lot of egg on a lot of faces around here, I think is somewhat troublesome to me.

I think, though, Mr. President, that what the Senator from Colorado was talking about today, in his very eloquent statement about the President's opportunity this morning to visit with 93 U.S. attorneys general, was that they had flown to Washington, DC for a press opportunity to take a pretty picture and to try to tell the American people that something new was about to happen. I do not think that that is fair.

We are not very big around this body on plagiarism, but I do believe that plagiarism is what I would say that Mr. Bush is guilty of this morning, because all he was actually doing was plagiarizing Attorney General Thornburgh, who, in December 1989, made certain requests for new FBI agents, new accountants, new U.S. attorneys, et cetera. And Mr. Bush comes forward today, in a huge dog and pony show and repeats basically the same request.

I have not ever, in my years in public service, seen anything quite like this situation that I watched live on CNN this morning, and then going back and seeing what Senator WIRTH has pointed out to us, what we saw was actually proposed 6 months ago by the Attorney General of the United States.

Now, I do not know if Mr. Bush knew or was informed by his staff that the Attorney General, his own Attorney General, had made these exact same requests 6 months ago or not. I keep hearing the Attorney General is in trouble. I hope he is not. But someone ought to at least get his act together to know what the Attorney General asked in December, and what the President of the United States is asking in June, some 6 months later.

I am going to yield the floor, Mr. President, but I do not think it is fair for the chief spokesman of the President of the United States to convict the Democrats.

The Republican leader has just said there are going to be a lot more convictions before this is over with. But I do not think the Democratic party

should be convicted and given all the responsibilities for this fiasco.

I do not think it is fair, Mr. President, to bring 93 U.S. attorneys from all over this country, from 50 States, for a photo opportunity, to take a pretty picture, and try to tell the American people that something is about to happen, when I am afraid it is not going to happen.

I do not think it is fair, Mr. President, to wait 6 months after the Attorney General has made this request and go through this machination this morning, with all the expense, and basically reiterate and restate what the Attorney General of the United States stated 6 months ago.

As I stated earlier today in a meeting with several reporters, our hand is out to the President, our hand is out to this administration to work with this administration to try to find some solutions to this great dilemma, and certainly we must move down that road. But today's activities, in my opinion, are no way to do it.

I yield the floor.

EXHIBIT 1

[U.S. General Accounting Office, May 1990]

FAILED THRIFTS—BETTER CONTROLS NEEDED OVER FURNITURE, FIXTURES, AND EQUIPMENT

(Report to the Chairman, Subcommittee on Federal Services, Post Office, and Civil Service, Committee on Governmental Affairs, U.S. Senate)

GENERAL ACCOUNTING OFFICE,

Washington, DC, May 25, 1990.

HON. DAVID PRYOR,

Chairman, Subcommittee on Federal Services, Post Office, and Civil Service, Committee on Governmental Affairs, U.S. Senate.

DEAR MR. CHAIRMAN: In June 1989, we reported to you on improprieties in the areas of contracting and property disposition at the Federal Savings and Loan Insurance Corporation's (FSLIC) FirstSouth Receivership in Little Rock, Arkansas.¹ Subsequently, you asked us to determine whether problems that we found at FirstSouth were commonplace and existed at other receiverships. Recognizing changes that were occurring in receivership operations, we agreed with the Subcommittee to assess FSLIC's disposition of furniture, fixtures, and equipment (FF&E) for thrift receiverships in the Southwest Plan² and additional receivership's FF&E taken by FSLIC to furnish its Central Region in Dallas, Texas.

Our primary objective was to determine whether FSLIC disposed of FF&E in the most efficient and effective manner. However, as requested we limited our work primarily to FSLIC's Central Region. Appendix I contains more detailed information concerning our objectives, scope, and methodology.

Since we reported on FirstSouth, FSLIC reorganized its regional operations, including moving the freestanding receiverships, which had been operating at the sites of the

¹ "Failed Thrifts: Allegations at First South Receivership in Little Rock, Arkansas" (GAO/GGD-89-98, June 16, 1989).

² Specific program developed by the Federal Home Loan Bank Board to deal with the high concentration of insolvent thrifts in Texas and four neighboring states.

failed institutions, into the FSLIC regional offices and assigning receivership responsibilities on a functional basis, i.e., employees were no longer assigned exclusively to one receivership but rather performed the same function across receiverships.

Subsequently, Congress enacted the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), which abolished FSLIC and created the Resolution Trust Corporation (RTC) to handle the thrift failures from January 1, 1989, through August 9, 1992. Failures before January 1989 became the responsibility of the Federal Deposit Insurance Corporation (FDIC).

RESULTS IN BRIEF

FSLIC was, and now FDIC and RTC are, dealing with billions of dollars in assets from hundreds of failed thrifts, and there is much work to be done in managing and liquidating these failed institutions. All parts of the process to liquidate the thrifts, regardless of their magnitude, should be done well. One of those parts is disposing of FF&E which represents a relatively small proportion of the failed thrifts' total assets.

While FSLIC had many responsibilities in managing and liquidating the assets of the failed thrifts, it had not fulfilled its responsibility for the management and liquidation of FF&E. Planning for the disposal of FF&E from the Southwest Plan valued at about \$4 million was not done until a year after acquisition of the assets had begun, and the planning that was done was incomplete. And contrary to applicable procedures, FSLIC contracted noncompetitively for several services related to the FF&E. After deducting expenses, FSLIC received about \$57,000 on the sale of Southwest Plan FF&E appraised at about \$3.3 million, suggesting that it may not have maximized revenue or minimized expenses. Further, FSLIC did not have adequate internal controls over its FF&E inventory and did not pay receiverships for FF&E taken to furnish its regional offices. FDIC has almost completed compensating the receiverships, but neither FDIC nor RTC have documented specific organizationwide guidance for disposing of FF&E.

BACKGROUND

Congress enacted FIRREA on August 9, 1989, to deal with the savings and loan crisis and reform regulation of the industry. The act abolished the Federal Home Loan Bank Board (FHLBB), the thrifts' regulator, and placed its regulatory functions in the newly created Office of Thrift Supervision. The act created a new agency, RTC, to resolve institutions placed into receivership or conservatorship between January 1, 1989, and August 9, 1992. It also created a new insurance fund to resolve problem institutions after 1992. The assets, liabilities, and obligations of FSLIC were transferred to a new fund, called the FSLIC Resolution Fund. That fund is administered by FDIC.

Before the new law, the FHLBB, governed by a chairman and two members, handled thrift failures through FSLIC, a government corporation headed by an executive director. When a thrift became insolvent, the FHLBB would pass a resolution declaring the thrift insolvent, take it over, form a receivership, and appoint FSLIC as receiver. FSLIC would then try to sell all or part of the failed thrift. Assets and liabilities not transferred to an acquirer were generally liquidated by FSLIC as receiver for the failed thrift. Receiverships, separate and distinct legal entities, were supervised

through FSLIC's Operations and Liquidations Division and, subsequently, FDIC's Division of Liquidation.

Under general principles of law applicable to receivers, FSLIC was required to act in a fiduciary capacity by managing and liquidating the receivership assets in an orderly manner and maximizing the return on their sale. Proceeds from the sale of receivership assets would be used to pay the claims of the institution's creditors. The FSLIC Insurance Fund would be one of these creditors, but it generally would have no absolute priority over the others.

According to FSLIC's Receivership Operation Manual, its Operations and Liquidations Division's primary role was to maximize the recovery of funds for the benefit of depositors and creditors of failed institutions. Maximizing recovery was achieved through asset management, restructuring of troubled loans within the institution, and subsequent liquidation of assets.

Although the bulk of a receivership's assets are loans and real estate, other assets, including FF&E, must be disposed. According to the Receivership Manual, FSLIC had the duty not only to maximize the return on their sale, but to dispose of them in a timely and efficient manner.

Throughout most of the 1980s, FSLIC usually operated its receiverships as separate entities, often on the premises of the failed thrift. Receiverships were staffed by nonfederal employees—a managing officer and support staff from the defaulted institution selected by FSLIC. In early 1989, FSLIC began consolidating the receiverships into its regional offices and eliminating the freestanding receiverships.

Separate and distinct, the FHLBB implemented the Southwest Plan and placed 101 thrifts into receivership. FHLBB completed the transactions involving the thrifts between May and December 1988. The acquirers purchased approximately \$18 million of FF&E from these institutions, with the remainder (approximately \$4 million) becoming the responsibility of FSLIC as receiver.

Before FSLIC's Central Region was taken over by FDIC in August 1989, it was responsible for 20 non-Southwest Plan receiverships with \$3.1 billion in total assets. As of April 12, 1990, according to FDIC and RTC officials, nationwide FDIC had 99 FSLIC receiverships with \$10.4 billion in total assets, and RTC had 52 receiverships with \$12.1 billion in total assets. We were unable to obtain the total amount of FF&E controlled by FDIC and RTC because, according to an official responsible for reporting statistics for the two agencies, those agencies do not separate FF&E from "other assets" ³ at the national level. However, it is clear that FF&E represents a relatively small portion of the receiverships' total assets.

As of August 9, 1989, FDIC absorbed the responsibilities for the management of FSLIC's receiverships. Throughout this report, we will refer to individuals in their capacity as FSLIC employees when their actions occurred before FSLIC was abolished, even though we obtained the information after some of them became FDIC employees.

FSLIC DID NOT TAKE APPROPRIATE STEPS TO MINIMIZE COSTS OR MAXIMIZE REVENUE ON SOUTHWEST PLAN FF&E

FSLIC did not adequately plan in a timely fashion for the disposition of Southwest

Plan FF&E. As a result, FSLIC may not have maximized revenue or minimized costs for the receiverships. It was unclear who was responsible for the FF&E, headquarters of the Central Region. Planning for the disposition of FF&E was not done until 1 year after the first thrift was closed, and the planning that was done did not compare the cost of keeping the inventories with expected revenue. Also, the plan did not consider alternatives to maximize revenue. Selection of contractors on a noncompetitive basis did not insure that services were acquired at the lowest cost. And FSLIC Central Region officials failed to maintain adequate separation of duties for FF&E inventory control, raising questions as to whether FF&E was adequately safeguarded.

Minimal Proceeds on Southwest Plan FF&E

Through sales to FSLIC, direct sales to the public, and auctions, FSLIC's Central Region earned \$2,471,483 in revenue from the sale of Southwest Plan FF&E. The FF&E was initially appraised at \$3.3 million.⁴ However, as table 1 illustrates, expenses almost equaled revenue.

TABLE 1.—Net proceeds on FSLIC's liquidation of FF&E from the Southwest Plan

Total revenue	\$2,471,483
Total expenses.....	-2,414,309

Net proceeds..... 57,174

Source: Southwest Plan FSLIC financial data obtained from the Dallas Consolidated Office, FDIC.

The largest portion of the expenses, \$1,350,157, was for warehousing FF&E from June 1988 to December 31, 1989. Warehousing was expensive because FSLIC, operating without a disposition plan, rented a large amount of warehouse space to hold the FF&E while it attempted to dispose of it through direct sales to the public. The FF&E began filtering into the warehouse about 12 months before there was a plan, and an additional 2 months passed before the first auction took place. Appendix II includes more detailed information about revenue and expenses related to the Southwest Plan FF&E.

Untimely and Inadequate Planning

FSLIC's Receivership Operations Manual in use during this period required FSLIC to prepare a plan for the disposition of any asset, including FF&E, as expeditiously as possible. Formal plans had to be approved as part of FSLIC's process authorizing the disposition of assets.

On the basis of interviews with FSLIC officials, it is unclear whether the Central Region or headquarters was primarily responsible for handling the disposition of the Southwest Plan FF&E. However, it is clear that, according to FSLIC policy, the planning was to be done expeditiously. Also, the planning that was ultimately done did not consider alternatives to maximize revenue.

Confusion About Who Was in Charge

Neither FSLIC headquarters nor Central Region officials could identify a specific individual who was responsible for handling the Southwest Plan FF&E. Instructions in FSLIC's Pre-Takeover Manual show that takeovers of failed thrifts were normally a coordinated effort between FSLIC headquarters' Operations and Liquidations Division and the regional office where the takeover occurred.

⁴ Additional FF&E valued at \$907,915 remained at the failed thrifts to be purchased by organizations that had agreed to pay the appraised value.

³ Includes FF&E, company automobiles, collateral on loans in default, and repossessed assets.

However, the former Regional Director for the Central Region told us that Southwest Plan activities were not a normal case and were handled with a great deal of headquarters direction. He told us that instructions for handling the Southwest Plan receiverships and their FF&E came from FSLIC headquarters officials.

In addition, the former Regional Director said that the Central Region's Manager for Administrative Services/Miscellaneous Assets, who was responsible for contracting many of the services used for the Southwest Plan FF&E, reported directly to FSLIC headquarters officials on Southwest Plan matters. And the contractor who performed the majority of the services involving the Southwest Plan FF&E told us that he was initially engaged by an FSLIC headquarters Receivership Representative who coordinated thrift takeovers in the Southwest Plan for FSLIC headquarters' Operations and Liquidations Division.

The Receivership Representative said she was not aware of any FSLIC headquarters plan for liquidation of the Southwest Plan FF&E. FSLIC's Central Region Acting Director and Central Region Deputy Director for Finance said that FSLIC did not have a long-term plan for disposition of Southwest Plan FF&E. Central Region officials said its liquidation service contractor simply began selling the FF&E out of rented warehouse in Houston.

Untimely Planning

The Central Region's formal plan for the sale of Southwest Plan FF&E, through a series of auctions, was approved in the region by the Central Regional Asset Review Committee on May 10, 1989, and at the national level by the Central National Review Committee on May 23, 1989. Since the first takeover of a thrift in the Southwest Plan occurred on May 13, 1988, 1 year had passed before a plan for liquidation was formalized and approved.

Inadequate Planning

The plan for the auctions did not go beyond the mechanics, and there was little attempt to project expenses. For example, the plan did not mention that about 2 months earlier, on March 3, 1989, FSLIC entered into a contract, cancellable on 30 days notice, for warehousing Southwest Plan FF&E, with a projected annual budget of \$1,353,481. The plan stated that the Central Region had "FF&E valued at approximately \$900,000." At the time of the plan, the projected expenses for warehousing exceeded the estimated value of the FF&E inventory.

The plan also noted that "The auction process is the only feasible means of liquidating the type of FF&E acquired through Savings and Loan failures." The plan did not present evidence that auctions were the only feasible means of liquidation and discussed only the failed attempt to sell FF&E out of the rented warehouse in Houston. Sales out of the warehouse between October 1988 and February 1989 totaled \$322,198, or about 13 percent of the total sales for Southwest Plan FF&E.

The owner of the company that inventoried and appraised the FF&E also mailed brochures to prospective buyers advertising the FF&E for sale out of the Houston warehouse. Also, with FSLIC's approval, he opened the warehouse to the public daily and attempted to sell the FF&E.

The Central Region's Manager for the Receivership Activities Department said that the auction process was developed because FSLIC officials knew that FDIC would be

assuming FSLIC's responsibilities, and FDIC used auctions to liquidate items. He said Central Region officials wanted to operate similarly to FDIC.

It appears to us that at least two alternatives, used by FDIC's field offices, might have been feasible and should have been given early consideration by FSLIC. One possible approach would have been to contract with an auction company to move the FF&E to the company's storage for liquidation within 60 days. This would have eliminated lengthy storage costs and high expenses for moving FF&E to warehouses rented by FSLIC. Another alternative would have been to allow liquidation companies to bid on the FF&E at each original location. The high bidder would have had the responsibility for the removal of all the FF&E from the premises within a few days. This option could potentially have taken FSLIC out of the FF&E business in a very short time at each location.

Noncompetitive Contracting

Contracting procedures used during this period by FSLIC's Central Region required all services not required on an emergency basis to be obtained on a competitive basis. We found that many services related to Southwest Plan FF&E were acquired on a noncompetitive basis. And none of the information in the contract files we reviewed revealed that an emergency existed or that the contracting was done under emergency circumstances.

FSLIC did not issue uniform agencywide contracting procedures for its regions and receiverships until May 1, 1989. Before that time, several regions had developed procedures for awarding contracts. The Central Region had adopted procedures developed by the Western Region.

The Central Region's Contracting Manager pointed out in a memorandum to the acting Regional Director, dated December 28, 1988, that FSLIC had paid four firms \$1,021,127 for communications equipment, inventory and appraisal, moving, and warehousing on a noncompetitive basis. These four firms had the same ownership. As of December 31, 1989, the Central Region had paid the firms a total of \$2,054,177, which included \$1,350,157 for warehousing FF&E from the Southwest Plan.

The Central Region's Manager for Administrative Services/Miscellaneous Assets, who was responsible for acquiring these services, is no longer employed by FSLIC's successor, FDIC, and we could not locate him. Therefore, we could not determine the circumstances surrounding contracting for these services. However, the Central Region's Manager for the Receivership Activities Department said that the Central Region allowed one of these four firms to provide warehousing in Dallas on a noncompetitive basis because this contractor had previous experience providing warehousing in Houston for the Central Region. The receivership manager also said that no consideration was given to any other contractor.

No Separation of Duties

Widely accepted standards for internal controls require the separation of key duties in transactions to minimize the risk of loss.⁵

⁵ "Accounting Series: Standards for Internal Controls in the Federal Government," United States General Accounting Office, 1983.

To reduce the risk of error, waste, or wrongful acts and to reduce the risk of such problems going undetected, no one individual or company should control all key aspects of a transaction or event.

The Central Region's Manager for the Receivership Activities Department and the Senior Accountant who supervised accounting for the Southwest Plan FF&E told us that the four firms discussed above had inventoried, appraised, moved, stored, maintained, and sold items of Southwest Plan FF&E out of warehouses. Again, the Manager for Administrative Services/Miscellaneous Assets, who was responsible for the concentration of duties in these firms, is no longer employed at the Central Region, and we could not locate him to find out why this arrangement was permitted. Central Region officials told us that the FF&E had been handled without appropriate controls because the Central Region did not have procedures to carry out these activities. Additionally, they said a large volume of FF&E had to be handled in a short period of time.

Although we have no evidence nor are we suggesting that any inventory was stolen or that abuse occurred, the arrangement that FSLIC entered into with several companies owned by one individual handling all aspects of key transactions was not consistent with good internal control standards. For example, having companies owned by the same person inventory, appraise, and move the FF&E, offered an opportunity to simply not include certain items of FF&E in the inventory lists and move that FF&E to the owner's warehouse. Further, with the same companies inventorying, appraising, moving, and selling the FF&E, the individual could have discounted the value of specific FF&E items included in the inventory by underappraising them and then through "dummy buyers" simply could purchase the discounted items to sell for his/her own use.

FSLIC HAS NOT FULLY REIMBURSED ITS RECEIVERSHIPS FOR FF&E

FSLIC's Central Regional Office was not compensating receiverships for FF&E taken by FSLIC and had no apparent plans to do so. Without compensation, the value of the FF&E could not be included in the proceeds available to pay the claims of the thrifts' creditors. After we brought this matter to the attention of FSLIC regional officials, we later determined, on the basis of FDIC calculations, that FSLIC should have compensated receiverships located in the Central Region \$1.9 million for FF&E used to furnish regional offices. FDIC has compensated the receiverships. FSLIC's other two regional offices had also been using receivership FF&E and not compensating them for its use. FDIC has paid \$548,585 to receiverships in the Eastern Region and \$6,870 to receiverships in the Western Region. FDIC is in the process of completing the compensation to the receiverships in the Western Region.

In February 1989, FSLIC revised its Receivership Manual to emphasize that FSLIC policy of maximizing return applied not only to its larger assets, but also to other assets, including FF&E, and to require the disposition of FF&E be done in a timely and efficient manner. According to FSLIC policy, a receivership must be compensated for FF&E used by a regional office, but a freestanding receivership could use the FF&E and liquidate it upon termination.

In the past, FSLIC's Central Region was compensating the receiverships for FF&E used in its office but discontinued the prac-

tice in 1986 because physical tracking of the furniture was time consuming. The Deputy Director for Finance for the FSLIC Central Region told us that in late 1985 regional officials reviewed the administrative cost of tracking the FF&E for the purpose of compensation and decided that the practice was not cost effective. He also said, however, that during this period there was no lack of accounting personnel to maintain the records to compensate the receiverships. Regional officials simply decided to halt the practice.

After our initial inquiries into the compensation issue the Central Region's Senior Accountant for Financial Reporting attempted to determine the amount of compensation owed to the receiverships, but complete records of each receivership were not available. The Central Region had not followed procedures to properly account for FF&E once it left the failed institutions. FDIC later determined that the most reasonable basis on which to compensate the receiverships was to distribute the proceeds on a percentage basis according to the book value of total FF&E at each receivership at the time of takeover.

FSLIC initially had contracted for each failed thrift that went into receivership to be inventoried and appraised. These initial inventories identified assets, including FF&E, by receivership and noted a value for each item. However, during movement of the FF&E from FSLIC's warehouse to the Central Region's offices, the moving consultant hired by the Central Region's Manager for Administrative Services instructed moving company personnel to remove inventory identification tags.⁶

Further, there was no system for maintaining current locations of FF&E items after the inventory was done. According to Central Region officials, due to movement of both personnel and items of FF&E within the regional offices and the failure of Central Region personnel to update inventories, the Region lost its ability to associate the value of FF&E items with the correct receiverships.

In November 1989, FDIC headquarters asked its consolidated offices, which were formerly FSLIC regional offices, to identify for payment FF&E taken from the receiverships. That same month, FDIC Division of Liquidation's Dallas Region contracted for a new inventory of FF&E that was being used. On the basis of this inventory and appraisal, and data from FDIC Division of Liquidation's Dallas Region, we found that the receiverships in FSLIC's Central Region should be compensated \$1.9 million. Non-Southwest Plan FF&E represented \$1.3 million of the total, and Southwest Plan FF&E accounted for \$617,975. According to FDIC officials, the receiverships have been compensated.

On the basis of our work in the Central Region, we asked FDIC headquarters officials if the other two former FSLIC regional offices had taken FF&E from the receiverships without compensation. According to the FDIC official and documents we received, FDIC paid \$406,287 to receiverships in the former FSLIC Eastern Region in Atlanta and \$142,297 to receiverships in the former Regions area office in Chicago. This latter amount included \$74,260 for FF&E retained by FDIC and \$68,038 sold at auction. In addition, FDIC paid \$6,870 to receiverships for FF&E it kept that was used by

FSLIC and, as of May 10, 1990, was in the process of auctioning the remaining FF&E in the former Western Region in Los Angeles.

In contrast to the way the FSLIC's Central Region handled FF&E, the Closings Manager in the FDIC Division of Liquidation's Dallas Region told us that when it takes over an insolvent bank, FDIC personnel take the inventory, and each item of FF&E is tagged with a unique inventory number that is not removed until the item is sold. FDIC does contract for appraisals. In addition, FDIC's policy is to not purchase FF&E from failed banks for use in its regional offices.

NEED FOR FDIC AND RTC POLICIES ON FF&E DISPOSAL

The FDIC Credit Manual and Operations Manual, which are used for organization-wide policy, do not provide specific guidance for disposing of FF&E. According to FDIC Division of Liquidation officials who handled the disposition of FF&E at the national level, these manuals are the only source of instructions. FDIC's Associate Director for Operations in the Division of Liquidation said FDIC's policy is to handle FF&E similar to the way it disposes of assets in the "Other Assets" category, i.e., convert these assets to cash in the most efficient and effective manner possible. FF&E is categorized as other assets in the Credit Manual.

The Supervisory Liquidation Specialist for Property Management in the FDIC Division of Liquidation's Dallas Region provided us with detailed instructions for disposing of FF&E developed by its Addison Consolidated Office. The Supervisory Liquidation Specialist told us that each consolidated office in the Dallas Region has developed similar guidance, but there is no regional level guidance or manual.

FDIC regional official in New York City and San Francisco said that they were not aware of any regional guidance on disposition of FF&E developed in their regions. They told us that the Credit Manual was the only guidance they used. However, we found that New York's Orlando Consolidated Office had developed procedures for inventorying and disposing of FF&E similar to those developed in Dallas' Addison Consolidated Office.

An RTC headquarters official said the RTC has not yet developed procedures for handling FF&E. The official said RTC would be using FDIC procedures in the interim. The Deputy Regional Director for Asset and Real Estate Management in RTC's Dallas Regional Office—one of RTC's four regional offices—said his office would be using the FDIC Credit Manual and approach to handling FF&E. Appropriate guidance is especially important for RTC because its authorizing legislation mandates that it extensively use the private sector, where practicable and efficient, to assist in managing and disposing of assets.

CONCLUSIONS

We recognize that FF&E was a relatively small portion of FSLIC's and will be a small portion of RTC's and FDIC's overall asset management and disposition responsibilities. However, FF&E represents assets that need adequate controls and management oversight.

FSLIC did not carry out its responsibility to insure that the FF&E of the receiverships was effectively managed and liquidated. FSLIC headquarters and regional officials did not follow FSLIC policy on planning; contracting was not done on a com-

petitive basis; and sound internal control standards of separation of duties were not observed. As a result, FSLIC may not have fulfilled its responsibility to maximize the recovery of funds from the sale of FF&E.

Furthermore, FSLIC should have promptly compensated the receiverships for FF&E when it was taken and placed in the FSLIC offices for its use. Adequate headquarters monitoring of regional activities, not only in the Central Region but in other regions, appeared to be lacking in this area. FDIC is now responsible for the FSLIC receiverships and is in the process of completing compensation to the receiverships for the FF&E.

Because of reorganizations and changes in personnel in FSLIC's receivership operations, we could not identify all the individuals who had not carried out their responsibilities to the receiverships. However, the Executive Director of FSLIC and the Chairman of FHLBB were ultimately responsible.

Even though the FHLBB has been abolished and the functions of FSLIC's Operations and Liquidations Division have been taken over by FDIC and RTC, the problems we found in FSLIC's Central Region can occur in other regions without specific policies and procedures addressing the control and disposition of FF&E, as well as without vigilance on the part of top officials, in the agencies now responsible for taking over failed thrifts.

FDIC and RTC, without (1) documented specific organizationwide policies and procedures to handle the disposition of FF&E from failed thrifts and (2) adequate monitoring of adherence to these policies and procedures, could run into problems similar to those FSLIC had with planning, controlling, and disposing of FF&E. We believe that these two agencies need to document, as a minimum, specific policies and procedures dealing with planning for disposing of FF&E, alternative ways to dispose of FF&E in the most timely manner to maximize return to the receiverships, contracting on a competitive basis when possible to insure minimum cost, and separation of duties in handling FF&E to ensure its adequate safeguard while in the hands of FDIC and RTC.

As RTC prepares to carry out its important responsibilities under FIRREA, it needs to ensure that the problems that FSLIC had managing and disposing of FF&E are not allowed to be repeated in other asset management areas such as real estate and securities, where there is greater risk because of the substantially larger dollar values involved. We believe that the problems that existed at FSLIC in dealing with FF&E illustrate the importance of having specific policies and procedures for managing and disposing of assets in general. Problems can occur without an adequate system of internal control for ensuring that policies and procedures are in fact implemented.

In addition, because the new legislation requires RTC to make extensive use of the private sector to manage and dispose of assets from failed thrifts, RTC will be at even greater risk. Therefore, it becomes extremely important that RTC (1) develop specific policies and procedures for managing and disposing of assets, (2) adequately staff and train its field offices, and (3) develop systems that will permit adequate oversight and monitoring of private sector contractors chosen to provide asset management and disposition services.

⁶ This moving consultant was not associated with the four companies mentioned earlier.

RECOMMENDATIONS TO THE CHAIRMEN OF FDIC
AND THE RTC OVERSIGHT BOARD

To ensure the most profitable and efficient disposition of FF&E from failed financial institutions, we recommend that the Chairmen of FDIC and the RTC Oversight Board—

Document specific organizationwide policies and procedures on control and disposition of FF&E covering such areas as planning, contracting, and internal control; and
Monitor the adherence to policies for control and disposition of FF&E.

AGENCY VIEWS

As requested by the Subcommittee, we did not obtain written comments from FDIC and RTC. We did, however, discuss the contents of our report with FDIC and RTC officials, who generally agreed with the facts and recommendations.

An RTC official stated that RTC, as allowed by the FIRREA, will be operating in accordance with existing FDIC policies and procedures until it amends FDIC's policies and procedures and adopts its own set of regulations and guidelines in implementing the specific goals of the RTC Oversight Board's strategic plan for RTC's functions and activities. In addition, the RTC official said that draft RTC asset disposition manuals are currently in the review process, and RTC is well aware of the importance of adequate internal controls over FF&E and other assets.

FDIC officials provided us with documentation that appropriate FDIC approvals have been given to pay the receiverships for FF&E taken by FSLIC to furnish its offices. According to the FDIC officials, the receiverships have been or are in the process of being paid. They also said that although existing FDIC policies and procedures do not specifically address FF&E, it is covered in the "Other Assets" section of the Credit Manual and is monitored similarly to other assets. FDIC officials provided us with additional views and information, which we have incorporated in this report where appropriate.

As agreed with the Subcommittee, unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days from the date of this letter. After that time, we will send copies of the report to the Chairmen of FDIC and the RTC Oversight Board and to other interested parties. We will also make copies available to others upon request.

Major contributors to this report are listed in appendix III. If you have any questions, please telephone me on 275-5074.

Sincerely yours,

BERNARD L. UNGAR,
Director, Federal Human
Resource Management Issues.

Mr. WIRTH. Mr. President, just a point of clarification for the record, so that we all understand.

The description that I provided, and the press release that I provided from the Attorney General from December 7, 1989, was not a request, as some have suggested, but in fact was a statement by the Attorney General as to how he was going to spend the \$50 million that they had said was all they needed.

This whole issue started, I remind my colleagues, when we had given them the authority to spend \$75 million. They only spent \$50 million. The

Attorney General told us how they were spending that \$50 million, which is what was in the press release—how they were going to set up these 27 task forces, they were going to hire so many U.S. attorneys, and do all that sort of thing. That is how they were going to spend the first \$50 million.

We have been asking, what are you doing beyond that? What are you doing more than that first commitment?

Last December, the Attorney General announced what they were going to do with this 27-city task force. That was their first step.

We have been saying, what else are you going to do?

The President comes out today and says, as if this is a major new initiative, he just tells us what the Attorney General said he was going to do for that \$50 million last December, as phase 1.

This is not anything new. This is not anything new. The only thing new about it is the fact that the Senator very accurately described, in the context of bringing these people in from all over the country and having a photo opportunity. That is the only thing that is new about it. All of this was done last fall.

We still have the question, Mr. President, what are you going to do now? You have not told us anything more than what they said last December in phase 1, and people in the Congress—and the reason I believe the distinguished Senator from Pennsylvania got up with his major new proposal is to say you are not doing enough, let us go to phase 2.

What Senator PRYOR has been saying, Senator DIXON, the distinguished Senator from Florida and the distinguished Senator from Nevada and the distinguished Senator from Nebraska, what all of us have been saying is, let us go to phase 1, and phase 3, and phase 4. Let us go. There should be a sense of urgency.

And what we were told today was warmed over phase 1 all over again. I just raise that to point out for the record that what was told today was only the phase 1 the Attorney General told us last fall was how they were going to do their first phase, which everybody has agreed was inaccurate.

So the President, in his photo opportunity, describes the inadequate program all over again. Either that, or the Attorney General did not do it at all last fall, and they are just launching phase 1 now. It is one or the other. It is either warming over their old program and trying to make it sound good, or they did not do anything before, and they are just launching the program now.

It is one or the other. We have asked the Justice Department which one it is. I hope we get our distinguished friends on the other side of the aisle

to help us get those answers. I am sure there will be a lot of questions about that.

I thank my distinguished colleague very much for yielding.

Mr. PRYOR. Mr. President, I thank the Senator from Colorado for his comments and generosity, and not only for that, but for the great work that he has done in helping to develop this issue. I hope that we will never reach a stage in this body where, if we ask questions or if we look for answers or if we seek solutions, that there are going to be these so-called threats hanging around out there that something bad is going to happen to all of us. That is not what the system is all about.

Mr. President, I yield the floor.

ORDERS FOR MONDAY AND
TUESDAY

Mr. MITCHELL. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 11 a.m. on Monday, June 25; that the Journal of proceedings be deemed approved to date; and that following the time for the two leaders, there be a period for the transaction of morning business not to extend beyond 12 noon, with Senators permitted to speak for not to exceed 5 minutes each.

I further ask unanimous consent that at 12 noon the Senate proceed to the consideration of Senate Joint Resolution 332, the proposed constitutional amendment on flag desecration; that the only amendments in order to the resolution be the following, and that, with the exception of the Thurmond amendment, there be substitute amendments in the first degree in order, regardless of the adoption of a preceding amendment, and that no motions to commit the resolution be in order:

A Bumper amendment, a statute relating to flag protection; a Helms amendment, a statute relating to removing courts' jurisdiction on this issue; a Thurmond amendment, a constitutional amendment relating to public desecration of the flag; a Biden amendment, a constitutional amendment on the same issue of the flag.

Mr. President, I further ask unanimous consent that the Senate resume consideration of the flag resolution on Tuesday at 2:15 p.m., and that at that time the time remaining on the resolution be limited to that stipulated below on the remaining amendments and that allotted for the two leaders below; that the amendments listed above be considered in the order listed and that time on each amendment be limited to 40 minutes equally divided.

I further ask unanimous consent that, following the debate on and votes on the listed amendments, there

be 40 minutes equally divided and controlled between the two leaders for their closing arguments, following the expiration of which there be a vote on the passage of the joint resolution, without any intervening action or debate.

I further ask unanimous consent that the Senate stand in recess at 10:40 a.m. on Tuesday, June 26, until 2:15 p.m. in order to permit Senators to attend the joint meeting in the House Chamber to hear Mr. Mandela's address and to accommodate the two party conferences.

THE PRESIDING OFFICER. Is there objection to the multi-unanimous-consent requests of the majority leader?

Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, for the information of Senators let me describe what has been occurring until now today and what will occur with respect to the schedule next week.

First, two separate discussions have been occurring. The managers of the housing bill have been meeting with the Secretary of Housing and Urban Development and others in an effort to reach a compromise on that legislation. I have not received a report on the status of those discussions. I hope they result in an agreement that permits us to move forward on that legislation.

I regret that we were unable to complete action on it this week, but it became apparent as of yesterday that we would not be able to complete action on it pending these discussions, and therefore it is my decision to proceed to other matters in the hopes that, during consideration of these other matters, these negotiations can produce a positive result.

Under a previous unanimous-consent agreement, I agreed to call up the joint resolution dealing with flag desecration sponsored by my friend and colleague, the distinguished Republican leader, prior to the July 4 recess. I have discussed this on several occasions over the past day with the distinguished Republican leader, and it is our judgment that the time and procedure for handling this set forth in this agreement represents the best way to deal with the matter expeditiously and fairly, and yet give everyone an opportunity to have their views expressed.

Therefore, under this agreement, the Senate will proceed on Monday to debate the flag resolution and the various amendments listed thereto.

There will be no votes on Monday. On Tuesday, each of the amendments will be taken up in order, and there are four amendments. I have listed them previously; two are statutory, and two are constitutional. There will be 40 minutes of debate on each

amendment followed by a vote, and then final action on the resolution itself, following completion of action on those amendments.

Now, finally, I have moved to proceed to the Civil Rights Act, and in light of the objection expressed, I filed a cloture motion on the motion to proceed. That cloture motion will ripen for a vote Tuesday morning. That will be approximately 10 o'clock. The distinguished Republican leader and I will discuss that on Monday to determine the exact time that is the most convenient for the largest number of Senators. But it will be Tuesday morning.

Regardless of the outcome of that vote, we will return to the flag matter Tuesday afternoon following the party caucuses, so Senators should be aware that there will be several votes on Tuesday, a cloture vote in the morning, and then potentially five votes on the flag issue between 2:15 and approximately 6 or 7 o'clock, depending upon whether or not all of the time is used on those amendments.

Finally, I report to my colleagues that the distinguished chairman of the Judiciary Committee and his counterpart have been negotiating for some time now on the crime bill, and it is my hope and expectation that we will very shortly have an agreement to limit the number of amendments and the time on that bill. I hope we have it today, but in view of the lengthy language that has just been exchanged on the two sides that has to be reviewed, we will not have that agreement today.

But I hope and expect we will have that early next week, possibly as early as Monday, and that as soon as that agreement is reached, we will seek to obtain unanimous consent for that. And following that, it is my hope to bring up the crime bill as soon as possible; if at all possible, prior to the July 4 recess. That remains to be seen, pending other matters.

So that, in conclusion, we will go off the housing bill. I regret that very much, but I hope that the negotiations now underway on that bill will produce a positive result.

We will be debating the flag issue on Monday afternoon, and on Tuesday afternoon, we will be debating and will be voting on the flag issue. And on Tuesday morning, we will vote on a cloture motion on the motion to proceed to the civil rights bill, and then again, in summary, hopefully reach agreement on and take up the crime bill sometime during the week next week.

Mr. President, I am pleased to yield to the distinguished Republican leader.

Mr. DOLE. Mr. President, I will just say that I think we obviously will complete action on the flag amendment and any amendments thereto on Tues-

day. I do hope there will not be an effort, as long as there are serious negotiations going on, to try to do something on the Civil Rights Act during the Mandela visit. You know there must be a temptation to try to get into this circus atmosphere that somehow we are going to be pressured because Mandela is addressing a joint session of Congress.

Let me indicate that there have been good faith negotiations at the White House and in my office for an hour and a half as recently as 24 hours ago, and it is my understanding we are trying to work out a settlement so we can pass the bill very quickly. But I will just indicate we are not going to be stampeded on this side of the aisle. There are reservations on the other side of the aisle. There are only 40-some cosponsors to this legislation.

It seems to me that it is pretty obvious what is happening. Everyone has a bill pending for some reason when Mr. Mandela is addressing a joint session of the Congress. Maybe there is something that I am missing. Maybe it is the politics of it. But I thought we were trying to get a civil rights compromise negotiated with the administration. I still hope that is the case. Maybe by Tuesday we will have worked that out.

Obviously, the majority leader has a perfect right to move to proceed. But I do not want anybody to misunderstand or to indicate that there is some opposition to civil rights on this side of the aisle. There is an affirmative process under way now, but I understand the Senator from Massachusetts does not agree that it is positive, so he wants to proceed in this fashion. I think it is a mistake. I think it could be counterproductive. But that is the choice the Senator has made.

Mr. MITCHELL. Mr. President, I thank my colleague. Let me say that it is my fervent hope that we will be able to reach an agreement that is satisfactory to all concerned. Although I have not been a party to them, I believe that the discussions have been positive and productive to date and that the issues have been significantly narrowed on that matter and that there will, hopefully, be an agreement which will permit us to act in a relatively concise period of time. And that, of course, is the objective that we all share.

So I hope that this does result in enacting that legislation in a manner that, if not all, then a broad consensus of the Senate will find satisfactory. I think the negotiations have been in good faith and very positive and productive up to this time, and we hope that they will shortly reach a final and positive result.

RECESS UNTIL MONDAY, JUNE 25, 1990, AT 11 A.M.

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 11 a.m., Monday, June 25, 1990.

Thereupon, the Senate, at 3:52 p.m., recessed until Monday, June 25, 1990, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate June 22, 1990:

DEPARTMENT OF JUSTICE

W. LEE RAWLS, OF MARYLAND, TO BE AN ASSISTANT ATTORNEY GENERAL, VICE CAROL T. CRAWFORD, RESIGNED.

STANLEY A. TWARDY, JR., OF CONNECTICUT, TO BE U.S. ATTORNEY FOR THE DISTRICT OF CONNECTICUT FOR THE TERM OF 4 YEARS (REAPPOINTMENT).

CONFIRMATIONS

Executive nominations confirmed by the Senate June 22, 1990:

DEPARTMENT OF STATE

SHIRIN RAZIUDIN TAHIR-KHELI, OF PENNSYLVANIA, TO BE THE ALTERNATE REPRESENTATIVE OF THE UNITED STATES OF AMERICA FOR SPECIAL POLITICAL AFFAIRS IN THE UNITED NATIONS, WITH THE RANK OF AMBASSADOR.

WILLIAM BODDE, JR., OF MARYLAND, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF THE MARSHALL ISLANDS.

JOSEPH EDWARD LAKE, OF TEXAS, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE MONGOLIAN PEOPLE'S REPUBLIC.

DAVID PASSAGE, OF NORTH CAROLINA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF BOTSWANA.

RICHARD WAYNE BOGOSIAN, OF MARYLAND, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF CHAD.

WILLIAM B. MILAM, OF CALIFORNIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE PEOPLE'S REPUBLIC OF BANGLADESH.

JAMES DANIEL PHILLIPS, OF KANSAS, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE PEOPLE'S REPUBLIC OF THE CONGO.

ROGER GRAN HARRISON, OF COLORADO, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE HASHEMITE KINGDOM OF JORDAN.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

IN THE NAVY

THE FOLLOWING-NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF ADMIRAL AND AS CHIEF OF NAVAL OPERATIONS UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 601 AND 5033:

TO BE CHIEF OF NAVAL OPERATIONS

To be admiral

ADM. FRANK B. KELSO H. II, U.S. NAVY, xxx-xx-xxxx 1220.

DEPARTMENT OF DEFENSE

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT AS COMMANDER IN CHIEF, UNITED STATES SPECIAL OPERATIONS COMMAND, AND APPOINTMENT TO THE GRADE OF GENERAL WHILE SERVING IN THAT POSITION UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 167 AND 601:

To be general

LT. GEN. W. STINER, xxx-xx-xxxx, U.S. ARMY.

IN THE AIR FORCE

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED WHILE SERVING IN A POSITION OF IMPORTANCE AND RESPONSIBILITY DESIGNATED BY THE PRESIDENT UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601, AND TO BE APPOINTED AS CHIEF OF STAFF, UNITED STATES AIR FORCE UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 8033:

To be general

GEN. MICHAEL J. DUGAN, xxx-xx-xxxx, U.S. AIR FORCE.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL ON THE RETIRED LIST PURSUANT TO THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. GEORGE L. MONAHAN, JR., xxx-xx-xxxx, U.S. AIR FORCE.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF GENERAL ON THE RETIRED LIST PURSUANT TO THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be general

GEN. LARRY D. WELCH, xxx-xx-xxxx, U.S. AIR FORCE. THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be general

LT. GEN. ROBERT C. OAKS, xxx-xx-xxxx, U.S. AIR FORCE.

THE FOLLOWING-NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

LT. GEN. JOSEPH W. ASHY, xxx-xx-xxxx, U.S. AIR FORCE.

THE FOLLOWING-NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

LT. GEN. THOMAS A. BAKER, xxx-xx-xxxx, U.S. AIR FORCE.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. RONALD R. FOGLEMAN, xxx-xx-xxxx, U.S. AIR FORCE.

IN THE ARMY

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF BRIGADIER GENERAL WHILE SERVING AS DEAN OF THE ACADEMIC BOARD, U.S. MILITARY ACADEMY, UNDER TITLE 10, UNITED STATES CODE, SECTION 4335(C):

To be brigadier general

COL. GERALD E. GALLOWAY, JR., xxx-xx-xxxx, U.S. ARMY.

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. CHARLES W. BROWN, xxx-xx-xxxx, U.S. ARMY.

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. ALLEN K. ONO, xxx-xx-xxxx, U.S. ARMY.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. TEDDY G. ALLEN, xxx-xx-xxxx, U.S. ARMY. THE FOLLOWING-NAMED OFFICER FOR PROMOTION TO THE GRADE OF MAJOR GENERAL WHILE ASSIGNED AS CHIEF OF CHAPLAINS, UNITED STATES ARMY, UNDER TITLE 10, UNITED STATES CODE, SECTION 3036(B):

To be major general

BRIG. GEN. MATTHEW A. ZIMMERMAN, xxx-xx-xxxx, U.S. ARMY.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

LT. GEN. GARY E. LUCK, xxx-xx-xxxx, U.S. ARMY.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. MICHAEL F. SPIGELMIRE, xxx-xx-xxxx, U.S. ARMY.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. WILLIAM H. RENO, xxx-xx-xxxx, U.S. ARMY.

THE FOLLOWING-NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

LT. GEN. AUGUST M. CIANCIOLO, xxx-xx-xxxx, U.S. ARMY.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. BILLY M. THOMAS, xxx-xx-xxxx, U.S. ARMY.

IN THE MARINE CORPS

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be general

GEN. JOSEPH J. WENT, xxx-xx-xxxx, USMC. THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. WILLIAM G. CARSON, JR., xxx-xx-xxxx, /9903 USMC.

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. CHARLES H. PITMAN, xxx-xx-xxxx, USMC. THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT AS ASSISTANT COMMANDANT OF THE MARINE CORPS AND CHIEF OF STAFF, HEADQUARTERS, MARINE CORPS, AND APPOINTMENT TO THE GRADE OF GENERAL WHILE SERVING IN THE POSITION UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 601 AND 5044:

To be general

LT. GEN. JOHN R. DAILEY, xxx-xx-xxxx, USMC. THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. WILLIAM R. ETNYRE, xxx-xx-xxxx, USMC. THE FOLLOWING-NAMED OFFICER, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601, FOR ASSIGNMENT TO A POSITION OF IMPORTANCE AND RESPONSIBILITY AS FOLLOWS:

To be lieutenant general

MAJ. GEN. (SEL) DUANE A. WILLS, xxx-xx-xxxx, USMC. THE FOLLOWING-NAMED OFFICER, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601, FOR ASSIGNMENT TO A POSITION OF IMPORTANCE AND RESPONSIBILITY AS FOLLOWS:

To be lieutenant general

MAJ. GEN. ROBERT J. WINGLASS, xxx-xx-xxxx, USMC. THE FOLLOWING-NAMED OFFICER, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601, FOR ASSIGNMENT TO A POSITION OF IMPORTANCE AND RESPONSIBILITY AS FOLLOWS:

To be lieutenant general

MAJ. GEN. JOSEPH P. HOAR, xxx-xx-xxxx, USMC. THE FOLLOWING-NAMED OFFICER, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SEC-

TION 601, FOR ASSIGNMENT TO A POSITION OF IMPORTANCE AND RESPONSIBILITY AS FOLLOWS:

To be lieutenant general

LT. GEN. CARL E. MUNDY, JR., xxx-x-xxxx, USMC.

IN THE NAVY

THE FOLLOWING-NAMED REAR ADMIRALS (LOWER HALF) OF THE RESERVE OF THE U.S. NAVY FOR PERMANENT PROMOTION TO THE GRADE OF REAR ADMIRAL IN THE LINE, AS INDICATED, PURSUANT TO THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 5912:

UNRESTRICTED LINE
To be rear admiral

REAR ADM. (LOWER HALF) WILSON F. FLAGG, xxx-x-xx, 1315, U.S. NAVAL RESERVE.
REAR ADM. (LOWER HALF) LARRY B. FRANKLIN, xxx-x-xx, 1115 U.S. NAVAL RESERVE.

SPECIAL DUTY OFFICER (INTELLIGENCE)

REAR ADM. (LOWER HALF) GENE P. DICKEY, xxx-x-xx, 1635 U.S. NAVAL RESERVE.

THE FOLLOWING-NAMED REAR ADMIRALS IN THE STAFF CORPS OF THE U.S. NAVY FOR PROMOTION TO THE PERMANENT GRADE OF REAR ADMIRAL, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 624, SUBJECT TO QUALIFICATIONS THEREFOR AS PROVIDED BY LAW:

MEDICAL CORPS

To be rear admiral

REAR ADM. (LH) ROBERT BENSON HALDER, xxx-x-xx, U.S. NAVY.
REAR ADM. (LH) ROBERT WALTER HIGGINS, xxx-x-xx, U.S. NAVY.

SUPPLY CORPS

To be rear admiral

REAR ADM. (LH) ROBERT MARION MOORE, xxx-x-xx, U.S. NAVY.
REAR ADM. (LH) HARVEY DONALD WEATHERSON, xxx-x-xxxx, U.S. NAVY.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF VICE ADMIRAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be vice admiral

REAR ADM. JAMES G. REYNOLDS, U.S. NAVY, xxx-x-xx.

IN THE FOREIGN SERVICE

FOREIGN SERVICE NOMINATIONS BEGINNING EMILIO IODICE, AND ENDING LANGE SCHERMERHORN, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MAY 18, 1990.

IN THE AIR FORCE

AIR FORCE NOMINATIONS BEGINNING ROBERT A SCHMITZ, AND ENDING MICHAEL E CALTA, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MAY 18, 1990.

AIR FORCE NOMINATIONS BEGINNING GERALD S ALONGE, AND ENDING MICHAEL A WILLIAMS, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MAY 23, 1990.

AIR FORCE NOMINATIONS BEGINNING ROBERT L ALSLEBEN, AND ENDING WENDALL E WOOD, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MAY 23, 1990.

IN THE ARMY

ARMY NOMINATIONS BEGINNING JOSEPH R BARNES, AND ENDING LEE D SCHINASI, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MAY 10, 1990.

ARMY NOMINATIONS BEGINNING FRANK Q BERTAGNOLLI, AND ENDING DOMINICK A MINOTTI, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MAY 16, 1990.

ARMY NOMINATION OF DANIEL J KAUFMAN, WHICH WAS RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MAY 18, 1990.

ARMY NOMINATIONS BEGINNING PRESTON L FUNKHOUSER III, AND ENDING STEPHEN M DOWNS, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MAY 23, 1990.

ARMY NOMINATIONS BEGINNING JOSE A CASTRILLO-CRUZ, AND ENDING HERNANE C RESTAR, WHICH NOMINATIONS WERE RECEIVED BY THE

SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MAY 23, 1990.

ARMY NOMINATIONS BEGINNING HENRY J COOK III, AND ENDING ALONZO F RODRIGUEZ, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MAY 23, 1990.

ARMY NOMINATIONS BEGINNING ARNOLD A ASP, AND ENDING MARK T WERNER, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MAY 23, 1990.

ARMY NOMINATIONS BEGINNING THOMAS D CHALLENGER, AND ENDING WILBUR E LINTON, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF JUNE 6, 1990.

ARMY NOMINATIONS BEGINNING ALBERT D CAIN, AND ENDING WILLIAM A PEARCE, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF JUNE 6, 1990.

IN THE MARINE CORPS

MARINE CORPS NOMINATIONS BEGINNING MATTHEW J BAKER, AND ENDING BRIAN J GRANIERO, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF APRIL 20, 1990.

MARINE CORPS NOMINATIONS BEGINNING CHARLES R ABNEY, AND ENDING RICHARD C ZILMER, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MAY 10, 1990.

MARINE CORPS NOMINATIONS BEGINNING WILLIAM S AITKEN, AND ENDING DOUGLAS P YUROVICH, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MAY 18, 1990.

IN THE NAVY

NAVY NOMINATIONS BEGINNING RODANTE P ALANIGUE, AND ENDING JOHN E SAWYER, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MAY 23, 1990.

NAVY NOMINATIONS BEGINNING BRADLEY A BAILEY, AND ENDING WILLIAM J MILLS, JR, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF JUNE 6, 1990.